Ruffer Investment Company Limited

Annual report
for the year ended
30 June 2022

Contents

Key performance indicators

	30 June 22 %	30 June 21 %
Share price total return over 12 months[1]	5.6	19.5
NAV total return per share over 12 months[1]	6.0	15.3
Premium of share price to NAV	1.7	2.0
Dividends per share over 12 months[2]	3.05p	1.90p
Annualised dividend yield[3]	1.0	0.7
Annualised total return per share since launch[1]	7.7	7.9
Ongoing charges ratio[4]	1.07	1.08

Financial highlights

	30 June 22	30 June 21
Share price	300.00p	287.00p
NAV at year end as calculated on an IFRS basis[5]	£952,784,773	£575,851,333
NAV at year end as reported to the LSE	£947,554,437	£575,913,008
Market capitalisation[6]	£969,008,292	£587,541,854
Number of shares in issue	323,002,764	204,718,416
NAV per share at year end as calculated on an IFRS basis[5]	294.98p	281.29p
NAV per share at year end as reported to the LSE	293.36p	281.32p

1 Assumes reinvestment of dividends. See appendix for Alternative Performance Measures (APMs)

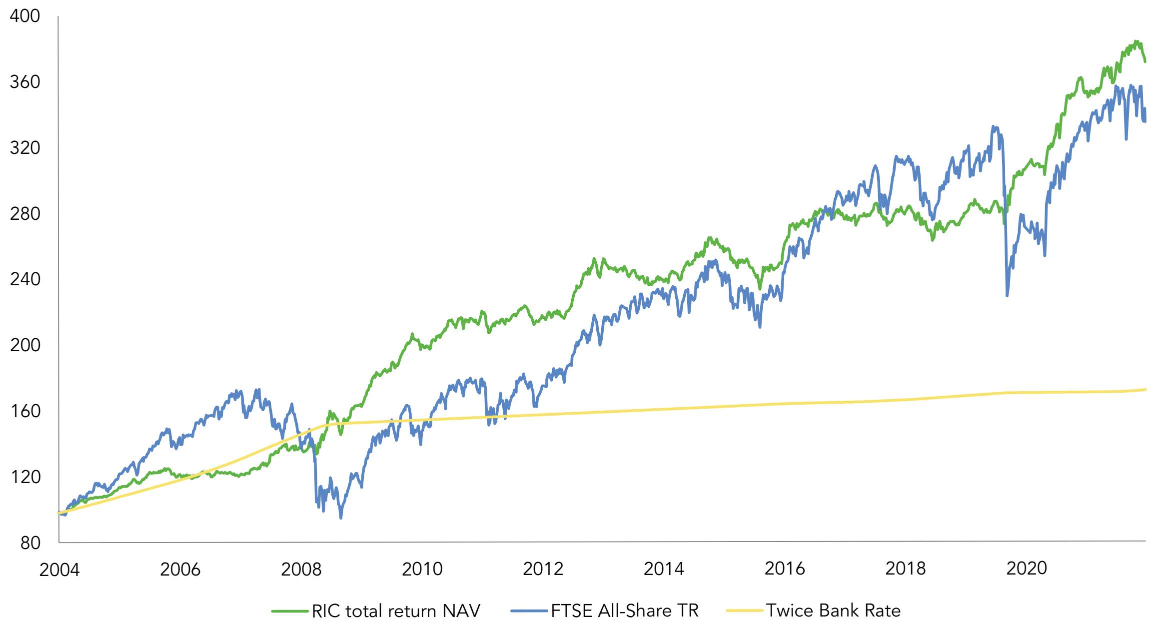
2 Dividends declared during the year

3 Annual dividend yield is calculated using share price at the year end and dividends declared during the year

4 See note 9

5 This is the NAV/NAV per share as per the Financial Statements. Refer to note 14 on page 102 for a reconciliation between this figure and the NAV/NAV per share as reported to the LSE. See appendix for Alternative Performance Measures (APMs)

6 See appendix for Alternative Performance Measures (APMs)



Source: RAIFM Ltd, FTSE International (FTSE). Data to 30 June 2022. All figures include reinvested income. RICL performance is shown after deduction of all fees and management charges. Performance data is included in the appendix.

Chairman's statement

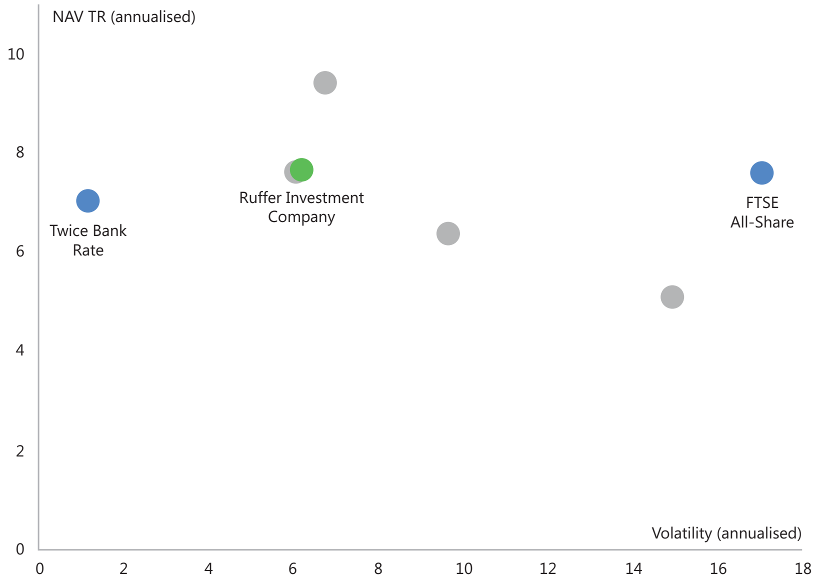
The year to end-June 2022 has been another excellent year for Ruffer Investment Company Limited (RICL or 'the Company') in a challenging environment but one which has demonstrated the value of the Company's investment approach. The net asset value (NAV) total return over this period was 6.0%, the NAV per share rising from 281p to 295p. The share price total return was 5.6%, reflecting a modest fall in the premium of share price to NAV.

This performance was achieved despite substantial falls in financial markets in the second half of the Company's financial year, including a halving in the value of long-dated Index-Linked stocks between November 2021 and 30 June 2022. Index-Linked stocks have long been a significant percentage of the assets of RICL, so RICL's positive performance demonstrates the continuing effectiveness of the Investment Manager's active management of duration risk through offsetting derivative strategies.

Performance and share issuance increased the market capitalisation of the Company to nearly £1 billion, leading to entry in March 2022 to the FTSE 250 Index. This development reflects a broadening of the shareholder base and an improvement in the liquidity of RICL shares which, together with issuance at a premium being accretive to NAV, has been to the advantage of shareholders.

The compound annualised NAV total return to 30 June 2022 since the Company's launch in July 2004 was 7.7%. The chart below shows the annual total return and volatility of the Company's NAV since launch against: (a) the Company's objective; (b) the FTSE All Share Index and (c) four of the most comparable investment companies.

NAV TOTAL RETURN VERSUS VOLATILITY, JULY 2004 – 30 JUNE 2022



Source: Ruffer, Morningstar, Bloomberg. Constituents: Personal Assets, Capital Gearing, Aberdeen Diversified Income & Growth, RIT Capital Partners, BH Macro

RICL has continued to provide one of the highest returns per unit of risk of all the comparators. Relative to a risk-free investment (the Sharpe ratio), the return has been over twice that of the FTSE All-Share Index since the launch of RICL. In terms of the Sortino Ratio, which only measures the downside element of volatility, the Company has generated over three times more excess return per unit of risk than an investment in the UK stock market.

To 30 June 22	Sharpe ratio	Sortino ratio
Ruffer Investment Company since inception (July 2004)	1.06	2.39
FTSE All-Share Total Return Index since July 2004	0.46	0.74

Earnings and Dividends

During the year the Company generated 3.67p per share of revenue and 8.16p per share of capital gain. The Company has always invested for total return which gives flexibility to the Investment Manager to pursue the optimal investment strategy for the long-term generation of return and the preservation of capital.

The Board is committed to retaining no more than 15% of the Company's income in any given year to allow the Company to remain able to be marketed to a UK retail client base. Having paid out an interim dividend in March 2022, amounting to 1.50p per share, the Company has declared a second interim dividend for this financial year of 1.25p per share. The remaining balance of revenue earned has been retained to add to the revenue reserve which may be used to help protect dividends against future fluctuations in revenue.

Diversification

RICL is one of a small number of London-listed closed-ended funds which aim for positive nominal or real returns rather than returns relative to a benchmark. Some of these 'absolute return' funds, including RICL, are classified as 'Protective' or 'Portfolio' Diversifiers. In the interim Chairman's statement in February 2022, I wrote that the Board remained confident that RICL would provide shareholders with a core diversifying component of their portfolios as well as protection of wealth.

Portfolio diversification is more than avoiding all eggs in one basket, which simply averages the risk that any one specific investment might go wrong. Such a policy can in fact lead to 'diworsification' – a term coined by the legendary fund manager Peter Lynch to describe assets moving together (positively correlated) which adds unnecessary risk to a portfolio without the benefit of higher returns.

It was Nobel Laureate Harry Markowitz who in the 1950s demonstrated that in markets where prices zig-zag over time, if one asset zigs while the other zags, yet each has exactly the same prospective total long term return, then combining the two assets in one portfolio can reduce portfolio risk without sacrificing expected return. Furthermore, of two portfolios which have exactly the same annual arithmetic return as each other, that which zig-zags less than the other (has lower volatility) will compound more wealth over time than the other.

The 'all-weather' RICL portfolio reflects the reality that more things can happen than will happen and, when the unexpected does happen, the Manager plans to have protected the portfolio by true diversification. Furthermore, what is true within the Company's portfolio is equally the case when shareholders combine their holding in RICL with other assets which comprise their overall wealth.

The Investment Manager demonstrated last year that the correlations of asset classes in the future may not reflect those of the past. How right they were. The classic 60/40 equity/bond portfolio has proved to be diworsification. The return on a 60/40 model portfolio was 17% negative in the second half of the Company's financial year to 30 June 2022, which compares to RICL's positive return of 2.9% over that same period.

After forty years of declining bond yields, it is easily forgotten that in the previous sixteen year period, from 1966 to 1981, a systematic rise in inflation, interest rates and bond yields meant that the best performing asset class over this period out of US bonds, equities and cash was not equities or bonds – it was cash.

Share issuance

During the year, the Company gradually issued a total of 118,284,348 shares, including an offering to both retail and institutional shareholders.

The reasons for seeking shareholder authority to issue shares were stated in the Circulars asking for shareholder authority as follows –

1. maintenance of the Company's ability to issue shares to meet ongoing demand in the market, in order to provide effective management of the premium to Net Asset Value per Share at which the shares may trade, so as to help to ensure that long-term investors who regularly acquire shares are not disadvantaged
2. an increase in the size of the Company, thereby spreading operating costs, other than management, administration and depositary fees, which are charged by reference to the Net Asset Value, over a larger capital base which should reduce the ongoing charges ratio

3 enhancement of the Net Asset Value per share of existing shares through share issuance at a premium to the last published Net Asset Value per share plus the costs of the issue and

4 improvement of liquidity in the market for the shares enabling easy purchase and sale providing shareholders with flexibility in the management of their own wealth without impacting the investment decisions of the Company.

Shareholders voted overwhelmingly in favour of Board authority to issue shares on a non-pre-emptive basis on five separate occasions during the financial year. This required five circulars and two prospectuses, and the authority given enabled the Board to contain the premium of share price to NAV to within 5% over the period.

The process by which the Company's Broker issues shares into the market to satisfy demand is known as 'tapping'. The tap issuance by the Company's Broker is controlled by the Board. However, the rate of issuance necessary to contain the premium has averaged c. two million shares a week in financial year 2022 compared to an average weekly issuance of less than 500,000 shares over the 2021 financial year.

Apart from managing the premium, one benefit of the closed-ended structure of the Company and the gradualist approach to issuing shares is that it enables the Investment Manager to control the cash raised and to absorb it easily in to the RICL portfolio. Another is that this helps to avoid 'cash drag' – the impact of holding a quantity of uninvested nil-returning cash before it can be invested.

Responsible investing

Ruffer LLP (Ruffer) is a signatory to the six UN Principles for Responsible Investment (PRI), to Climate Action 100+, to the Transition Pathway Initiative and the Institutional Investors Group on Climate Change (IIGCC).

At the macro level, ESG considerations enable Ruffer to assess systemic risk across markets and asset classes, such as sovereign bonds and listed equities. This level of analysis includes sector-specific trends or themes.

At the micro level, fundamental analysis of the securities RICL buys, sells and holds is embedded into the Ruffer ESG framework. The Responsible investment report on pages 30 to 36 of this Annual Report elaborates on RICL's approach to ESG policy and its implementation.

The portfolio has had no exposure to any sanctioned assets, in particular in relation to Russia.

Board matters

After the year-end, and following 20 years with the Ruffer Partnership, Hamish Baillie announced that he had decided to step down from the Partnership and as co-manager of RICL. Hamish has been a manager of RICL since 2011, when he took over responsibility for RICL from Jonathan Ruffer. Hamish has overseen the Company's excellent performance and growth over these years and, together with Duncan MacInnes as co-manager, developed a strong relationship between the Company and its shareholders, helped by other Ruffer communications such as webinars, Ruffer Radio and The Green Line. Hamish has left with the Board's admiration and gratitude for all that he has contributed.

Duncan MacInnes continues as manager and is supported by the same underlying investment team. We welcome Jasmine Yeo, who has been appointed co-investment manager with Duncan. Bertie Dannatt has taken on the operational aspects of Hamish's role which, as the Company and regulation have both grown, has become more time-demanding.

As I flagged in the interim report, Jill May and David Staples have decided to step down from the Board at the AGM in December 2022. We shall miss them. Both have made a significantly pro-active and positive contribution to the Company as Directors and in their respective roles as Senior Independent Director and Chair of the Audit and Risk Committee. This has been particularly evident during a pandemic period which has seen a high level of Company activity that has demanded much of their time. We thank them for their contribution.

As I also mentioned in the interim report, Nicholas Pink and Shelagh Mason have agreed to take up the roles of Senior Independent Director and chair of the Management Engagement Committee respectively with effect from the AGM in December 2022.

In January 2022 the Board engaged OSA recruitment consultants to identify a Guernsey director to succeed David Staples as Chair of the Audit and Risk Committee. We are delighted that Susie Farnon became free to join RICL in this role after she retired in July 2022 as audit chair of FTSE 250 HICL Infrastructure Ltd.

Following her retirement as Head of Audit for KPMG Channel Islands, Susie became a non-executive director and audit chair of a number of investment companies. She has been Vice-Chairman of the Guernsey Financial Services Commission and is a non-executive director of the Association of Investment Companies, the UK trade body. By joining the RICL board on 1 September 2022, Susie has been able to parallel run with David through the 2022 annual report preparation and audit process.

Having decided that five remains the appropriate number of non-executive directors, the Board engaged Longwater Partners in London in February to help identify a second new Director to succeed Jill May. Longwater provided a strong slate of candidates and we look forward to welcoming Solomon Soquar to the board in December when he will succeed Jill May on her retirement at the AGM.

Solomon holds a BA/MA in Politics, Philosophy and Economics and M.Phil in Economics from Balliol College, Oxford, where he studied and taught. He has had a long and deep practical experience of over 30 years across Investment Banking and Capital Markets with leading US and UK financial institutions. His particular focus has been in structuring risk management solutions for Wealth Management and his most recent executive role was as CEO of Barclays Investments Solutions Limited.

Solomon brings skills, experience and a perspective which are particularly relevant to the protection strategies that are a critical part of RICL's investment strategy. His knowledge and experience in this area is complementary to the other skills and experience on the Board.

In the interim report, I also mentioned that we had engaged a third party, Trust Associates, to evaluate Board remuneration, following last year's external Board evaluation. This was especially necessary given the prospect of finding two new directors and our recent experience that at least one potential candidate declined to continue discussion in the light of the level of directors' remuneration at the time. The outcome of this review is explained in detail in the Directors' Remuneration Report on pages 60 to 62 of this annual report.

Outlook

In the 'Economic Consequences of the Peace', Keynes commented: 'By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens.' He went on to comment that the confiscation is arbitrary and strikes at the security and confidence in the equity of the existing distribution of wealth.

The current level of inflation is clearly no longer unobserved and was unanticipated, as the Bank of England forecast chart in the Investment Manager's report on page 25 demonstrates all too clearly. Confidence in the equity of wealth distribution is fraying the edges of political concern. Like Hans Christian Andersen's Emperor, Central Banks are seen to have been short on clothes for the current economic and financial environment and have at last begun to tighten policy.

The Company's principal objective is to provide shareholders with a positive total net annual return of at least twice the Bank of England Base Rate. This objective has become more challenging. If it is true that markets are barometers rather than thermometers, reflecting how investors feel about the future rather than the present, then the financial weather outlook seems to be set fairer than might yet prove to be the case. The Board therefore endorses the Investment Manager's observation: 'There are times for a get rich quick portfolio and times for a stay rich portfolio. This is definitely the latter sort of time'.

Christopher Russell

4 October 2022

Strategic report

The Company carries on business as a closed-ended investment company. Its shares are traded on the Main Market of the London Stock Exchange (LSE) and it was admitted to the premium segment of the Official List of the UK Listing Authority on 20 December 2005. The Company is externally managed by Ruffer AIFM Limited, a UK investment manager authorised and regulated in the conduct of investment business in the United Kingdom by the Financial Conduct Authority (FCA). Ruffer AIFM Limited is also the Alternative Investment Fund Manager (AIFM) of the Company.

Board

The Board of Directors is responsible for the overall stewardship of the Company, including general management, structure, finance, corporate governance, marketing, risk management, compliance, gearing, contracts and performance. Biographical details of the Directors, all of whom are non-executive, are listed on pages 38 and 39 and in the Management and Administration summary on page 129. The Company has no executive directors or employees.

The Board has contractually delegated to external parties various functions as disclosed in the Corporate Governance Statement on pages 46 to 59.

Investment objective

The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England Bank Rate.

The weighted average Bank of England rate throughout the year ended 30 June 2022 was 0.40% (2021: 0.10%).

The Company predominantly invests in internationally listed or quoted equities or equity related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations.

Investment strategy

The Company's strategy is to create a balanced portfolio of offsetting assets which in aggregate are intended to enable the Company to meet its investment objective. The aspiration remains to produce consistent positive returns, regardless of the performance of financial markets. Over shorter periods this is likely to result in the Company lagging sharply-rising equity markets, but outperforming falling equity markets. This strategy will be implemented predominantly through investments in listed securities, collective investment schemes and currencies but the Investment Manager has the flexibility to use other asset classes should it be necessary to do so.

The investment strategy has been tested in the last 12 months as conditions in markets have changed quickly, but the portfolio has stood up to this test. In order to achieve the Company's investment objective we need to be able to perform in both rising and falling asset markets. This means that we maintain a balance of investments with a small but potent book of cyclical equities to perform should economic and financial conditions improve, index-linked bonds and gold to benefit from sustained higher inflation and financial repression, and credit protection and options to protect the Company should there be a shock to financial markets.

Investment policy

In selecting investments, the Company adopts a stock picking approach and does not adopt any investment weightings by reference to any benchmark. Both the Board and the Investment Manager believe that the adoption of any index related investment style would inhibit the ability of the Company to deliver its objective.

The Company invests across a broad range of assets, geographies and sectors to achieve its objective. This allocation will change over time to reflect the risks and opportunities identified by the Investment Manager across global financial markets, with an underlying focus on capital preservation. The allocation of the portfolio between different asset classes will vary from time to time so as to enable the Company to achieve its objective. There are no restrictions on the geographical or sectoral exposure of the portfolio (except those restrictions noted below).

The universe of equity, equity related securities or bonds in which the Company may invest is wide and may include companies domiciled in, and bonds issued by entities based in, non-European countries, including countries that are classed as emerging or developing. This may result in a significant exposure to currencies other than pound sterling. Where appropriate, the Investment Manager will also use in-house funds to gain exposure to certain asset classes.

The Company may use derivatives, including (but not limited to) futures, options, swap agreements, structured products, warrants and forward currency contracts, for efficient portfolio management purposes only.

Investment restrictions and guidelines

It is not intended for the Company to have any structural gearing. The Company has the ability to borrow up to 30% of the NAV at any time for short term or temporary purposes, as may be necessary for settlement of transactions, to facilitate share redemption or to meet ongoing expenses.

The proportion of the portfolio invested into companies based in emerging or developing countries will be limited, at the time of any investment, to below 15% of the Company's gross assets.

The Directors have determined that the Company will not engage in currency hedging except where the Investment Manager considers such hedging to be in the interests of efficient portfolio management.

The Directors have determined that no more than 15% in aggregate of the Company's gross assets at the time of acquisition will be invested in listed investment companies (including investment trusts), with a maximum of 10% of gross assets invested in investment companies not having stated investment policies allowing them to invest no more than 15% of their own gross assets in other UK listed investment companies (including investment trusts).

General

In accordance with the requirements of the FCA, any material changes in the Investment Policies and Objectives of the Company may only be made with the approval of shareholders.

Investment of assets

At each quarterly Board meeting, the Board receives a detailed presentation from the Company's Investment Manager which includes a review of investment performance, recent portfolio activity and a market outlook. It also considers compliance with the investment policy and other investment restrictions during the reporting year. The Company's Top Ten holdings and Portfolio Statement are on page 37 and pages 123 to 126 respectively.

Environmental policy

Whilst the Company has a limited carbon footprint in respect of its day to day activities, the Board notes that the Investment Manager recognises that environmental responsibility is core to its longer term business success, and actively integrates environmental, social and corporate governance (ESG) issues into its investment process. The Investment Manager's ESG policy is available upon request. For more detail, please see the Responsible investment report on pages 30 to 36.

A number of environmental initiatives have been introduced by the Board and the Administrator, as follows –

- minimising printing of Board materials
- deemed consent from shareholders to accept electronic copies of documents
- use of recycled paper for Annual and Interim Reports for shareholders requiring hard copies

- use of recycled Woodland Trust printer paper by the Administrator, which funds new UK woodland and
- Fairtrade tea and coffee and tap water, rather than bottled water, served at all Board meetings.

In addition, the Board intends to carbon balance Directors' and Investment Manager's flights and is currently considering the merits of various carbon offsetting schemes.

Shareholder value

The Board reviews on an ongoing basis the performance of the Investment Manager and considers whether the investment strategy utilised is likely to achieve the Company's investment objective of realising a positive total annual return, after all expenses, of at least twice the return of the Bank of England Bank Rate. Having considered the portfolio performance and investment strategy, the Board has unanimously agreed that the interests of the shareholders as a whole are best served by the continuing appointment of the Investment Manager on the terms agreed.

Dividend policy

The Board's policy is to pay dividends semi-annually, which are typically declared in September and March, with an objective of retaining no more than 15% of the Company's income each year.

Dividends will only be paid from the Company's revenue account and not from capital. Dividend payments by the Company will depend on the net income stream generated by the underlying investments in the Company's investment portfolio and therefore no assurance can be given that dividends will continue to be paid.

The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by the Companies (Guernsey) Law, 2008, whereby the Board must be satisfied on reasonable grounds that the Company will, immediately after payment of any dividend, be able to pay its debts as they become due and that the value of the Company's assets would be greater than the value of its liabilities.

The Board has the discretion to increase or reduce the dividend, or not to declare a dividend, as appropriate in consideration of the financial position of the Company.

Details of the dividends paid during the year are set out in note 5 to the Financial Statements on page 95.

Principal risks and uncertainties and their management

The Board has undertaken a robust assessment of the principal risks facing the Company and has undertaken a detailed review of the effectiveness of the risk management and internal control systems. As stated within the Report of the Audit and Risk Committee on page 65, the Board, with the assistance of the Administrator and the Investment Manager, has drawn up a risk assessment matrix, which identifies the key risks to the Company, and which is reviewed and updated by the Audit and Risk Committee on a quarterly basis. The principal risks and uncertainties faced by the Company, and the mitigating factors adopted by the Company, are summarised below. The Board, together with the Investment Manager, regularly monitors relevant risks in relation to the ones mentioned below. During the year, these have included potential geopolitical and economic impacts, including those arising from the war in Ukraine, and current and potential interest rate rises and increases in inflation.

Investment risks – the Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives. The Board reviews reports from the Investment Manager at each quarterly Board meeting and at other times when expedient, paying particular attention to the diversification of the portfolio and to the performance and volatility of underlying investments.

Operational risks – the Company is exposed to the risks arising from any failure of systems and controls in the operations of its service providers, principally the Investment Manager or the Administrator. The Board receives reports annually from the Investment Manager and Administrator on their internal controls and reviews pricing reports covering the valuations of underlying investments at each quarterly Board meeting. The Board can and does receive explanations and assurances from its key suppliers as to their own operational resilience and plans and ability to respond during times of crisis.

Accounting, legal and regulatory risks – the Company is exposed to the risk of action or sanction by shareholders, counterparties or regulators if it fails to comply with the regulations of the UK Listing Authority or the Guernsey Financial Services Commission or if it fails to maintain accurate accounting records. The Administrator provides the Board with regular reports on changes in regulations and accounting requirements, including increased regulation relating to ESG and climate change.

Financial risks – the financial risks faced by the Company include market risk (comprising interest rate, foreign currency and price risk), credit risk and liquidity risk. These risks and the controls in place to mitigate them are reviewed at each quarterly Board meeting. Further details on financial risks are discussed in note 19 of the Financial Statements on pages 106 to 119.

Emerging risks – the Board is constantly alert to the identification of any new or emerging risks through the monitoring of the Company's investment portfolio and by conducting regular reviews of the Company's risk assessment matrix. When an emerging risk is identified, the risk assessment matrix is updated and appropriate mitigating measures are agreed.

The Board seeks to mitigate and manage these risks through continual review, policy-setting, enforcement of contractual obligations and monitoring of the Company's investment portfolio. The Board, Investment Manager and the Company's Broker also regularly monitor the investment environment in order to identify any new or emerging risks.

Going concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements since the assets of the Company consist mainly of cash and cash equivalents and securities which are readily realisable. The Directors also note that overall, due to the nature of the Company's portfolio, which – as discussed in more detail in the Performance section of the Chairman's Review and in the Investment Manager's report – comprises both equities and other more defensive assets, it has not been affected significantly in terms of value or cashflows by the effects of the covid-19 pandemic or the Russian invasion of Ukraine. Accordingly, in the Directors' opinion, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Matters relating to the going concern basis are also discussed in the Long Term Viability Statement below and note 2(c) on page 88.

Long term viability statement

The Directors have assessed the prospects of the Company over a longer period than the 12 months minimum required by the 'going concern' provision. For the purposes of this statement, having regard to the economic planning cycle and the Company's strategy review period, the Board has adopted a three year viability period.

In its assessment of the Company's viability over the three year period the Board has considered each of the Company's principal risks as detailed above and any emerging risks, and in particular the impact of a significant fall in the value of the Company's investment portfolio.

The Directors consider that a 30% fall in the value of the Company's portfolio would be significant but would have little impact on the Company's ability to continue in operation over the next three years. In reaching this conclusion, the Directors considered the Company's expenditure projections, the fact that the Company currently has no borrowing, but has the ability to borrow up to 30% of its NAV and that the Company's investments comprise predominantly readily realisable securities which can be expected to be sold to meet funding requirements if necessary, assuming market liquidity continues.

Also, the Board has assumed that the regulatory and fiscal regimes under which the Company operates will continue in broadly the same form during the viability period. The Board speaks with its Broker and legal advisers on a regular basis to understand issues impacting on the Company's regulatory and fiscal structure. The Administrator also monitors changes to regulations and advises the Board as necessary. The Board also has access to the Administrator's compliance resources as well as the compliance department of the AIFM.

Based on the Company's processes for monitoring operating costs, share discount, internal controls, the Investment Manager's performance in relation to the investment objective, the portfolio risk profile, liquidity risk and the robust assessment of the principal risks and uncertainties facing the Company, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period.

Key performance indicators

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. The key performance indicators are disclosed in detail on page 3.

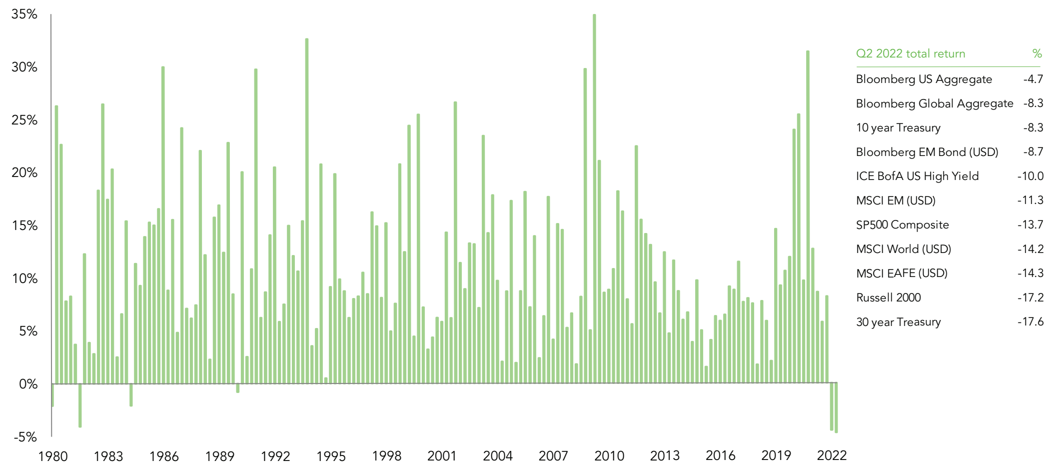
Investment Manager's report

For the year to 30 June 2022 the Company had a share price total return of 5.6% and the NAV total return of 6.0%. The Company has achieved its objective of preserving and growing shareholder capital.

The annualised NAV total return since inception of the Company in 2004 is 7.7%, which is ahead of UK equities with a much lower level of volatility and drawdowns.

The period has been unusually challenging for investors. The below shows the returns an investor would have earned each quarter if they had had perfect foresight and could choose in advance to be in the best asset class. The remarkable thing about Q1 2022 is that the best-case non-cash scenario was a loss of 4.5% offered by US high yield bonds. History shows how rare it is that there was nowhere to hide. However, this wasn't an anomaly – the second quarter was worse. The 60/40 portfolio is down 17% so far in 2022, a clear indicator that balanced, multi-asset portfolios are struggling.

BEST QUARTERLY TOTAL RETURN ACROSS ASSET CLASSES



Source: Bianco Research, FactSet, Reuters Datastream

Given all that has happened year to date, we have presented contributions for the full year to 30 June 2022 and also for the six months to 30 June 2022.

Performance contributions for six months to 30 June 2022

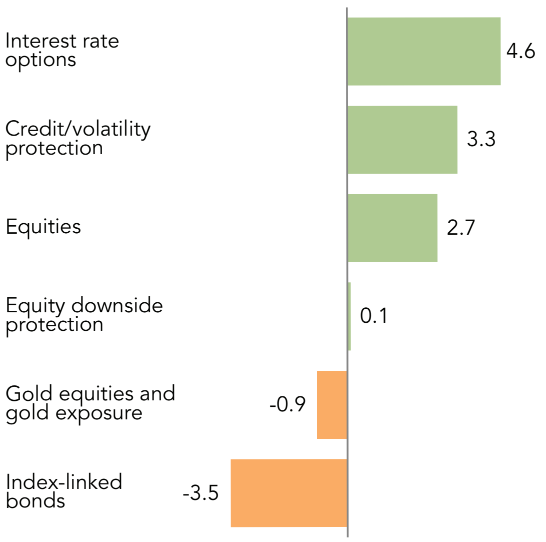
With nowhere to hide in conventional assets, it is no surprise that it was the portfolio's unconventional protective assets that drove performance in the first six months of calendar year 2022. Option protection via the Ruffer Protection Strategies Fund added 4.4%, driven mostly by interest rate options and equity puts. Credit protection continued to be an essential hedge contributing 3.6% via the Ruffer Illiquid Multi-Strategies Fund.

Within equities, energy stocks were the strongest contributors, adding 2.0% to performance. Individual stock performance of note came from value cyclicals – for instance Chesapeake Energy (+31%) and Mitsubishi UFJ Finance (+19%). The decision to rotate into defence and healthcare stocks was also rewarded as Northrop Grumman (+29%) and Bristol Myers Squibb (+27%) performed well.

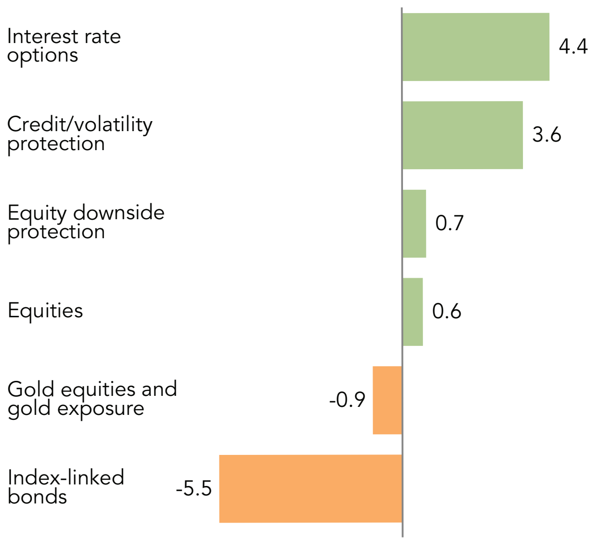
Towards the end of the period, as fears of recession grew, exposure to the auto manufacturing sector was hit hard with Volkswagen (-25%) and General Motors (-45%) together costing the portfolio -0.5%. In the UK, exposure to domestic value stocks via Ruffer UK Mid & Smaller Companies Fund (-14%) was hurt by the political omnishambles, inflation and recession risk, detracting -0.4% from the portfolio. Both cases provided a stark reminder that cheap stocks can get cheaper in the short term.

The carnage in the long-dated inflation-linked bond market should not be understated. These assets cost the portfolio -6.0%. The 2073 index-linked bond was down as much as 54% from its November 2021 all-time high – further commentary below.

30 JUNE 2021 – 30 JUNE 2022 (12M)



31 DECEMBER 2021 – 30 JUNE 2022 (6M)



Performance contributions for 12 months to 30 June 2022

The drivers of performance over 12 months were similar to those that shaped the first half of 2022. The toolkit of unconventional protections performed exactly as desired. Options added 3.7% and Ruffer Illiquid Multi-Strategies Fund added 3.3%. These protections provided both negative correlation and duration at a time of market stress and high cross-asset correlation in conventional markets.

Energy equities added 2.8% to performance and we took significant profits during the period. In the summer of 2021, we had a 7% allocation to these stocks at the end of the period this was closer to 4%.

Gold exposure and gold equities cost the portfolio 0.9% during the period. The largest individual pain came from Kinross Gold (-0.4%), which was impacted by the Russian invasion of Ukraine. Gold is a prime example of the failure of conventional safe havens in recent times. Despite inflation and war being front page news, gold has misfired. We still think it has a valuable role to play, but this greater correlation with risk assets is a consequence of gold's increased financialisation.

In the period, inflation-linked bonds cost the portfolio 3.5%, with the longest dated 2073 issue down 51%. We have long called these assets the 'crown jewels' in our portfolio due to our conviction that they should provide the perfect protection in the world of financial repression we are entering. We are still of this view. But the sensitivity to rising rates we have warned about, has now been felt. This illustrates a distinction we have been labouring; investing for inflation and investing for inflation volatility are not the same thing and conflating the two will be costly. Mr Market will make us crawl through fire for the gift of redemption, and derivative protection via the unconventional toolkit remains essential to safely navigating choppy and dangerous markets. Inflation-linked bonds are now back to pre-Brexit prices – and yet in our assessment the likelihood and proximity of the inflationary denouement is much greater.

Portfolio changes

In the last few months of the period, we reduced the risk in the portfolio, moving into what we call 'crouch mode' for what we believe will be a particularly dangerous period in the second half of this year. This de-risking included

1. Reducing equities to a 25% weighting with relevant hedges on top for good measure – this is the lowest weighting for Ruffer portfolios since 2003.
2. Increasing portfolio duration as the rise in bond yields has increased its potential effectiveness as a hedge
3. Rotating gold exposure from equities to bullion.

Investment outlook

Summary

1 The long term – an era of inflation volatility

2 The short term – the impossible tightrope walk

3 The bear is mid-grizzle

4 Hard hats on

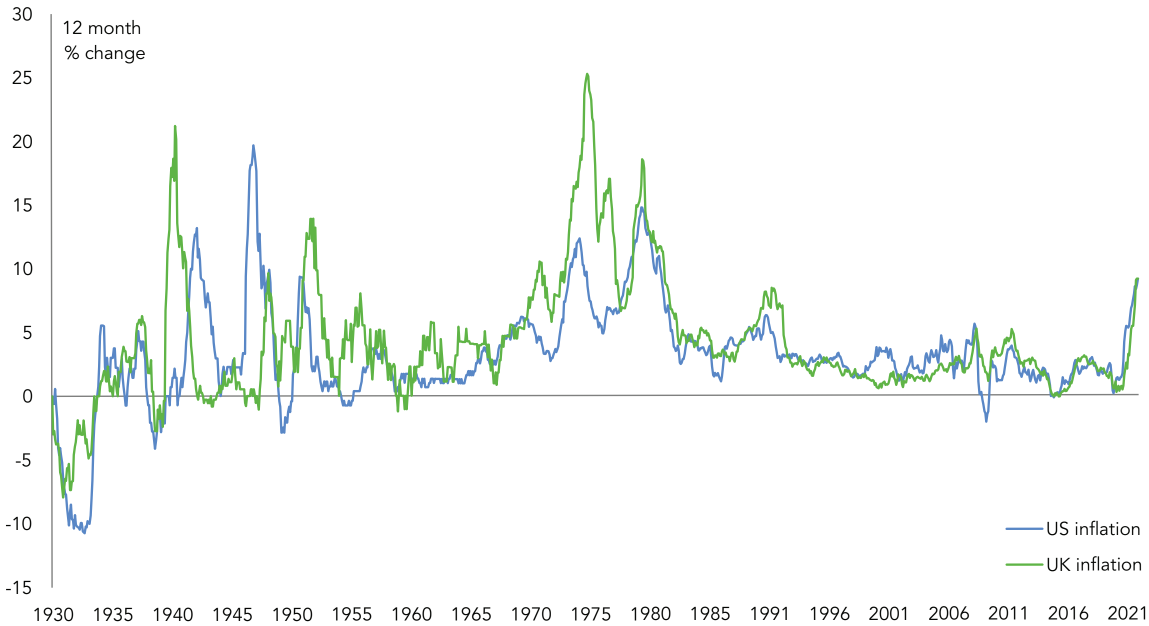
There's an old Charlie Munger quote: 'If you're not a little confused about what's going on, you don't understand it'.

That sums up the fog of war, literal and metaphorical, we find the global economy immersed in. We have never had higher conviction on the long term – that we have moved into a new regime of inflation volatility and those conventional portfolios are not going to fare well. In the short term – the outlook is far murkier and path-dependent as policymakers try to navigate a narrow path without either tipping the economy into a wage-price spiral or over the other side into recession. In the meantime, liquidity continues to drain from the system.

The long term – an era of inflation volatility

So what does the new regime look like? We think we return to spasmodic bouts of inflation volatility like we saw after the World War 2 period or indeed again in the 1970s. This long-term chart of UK and US inflation makes it clear that the last 30-40 years has been something of an aberration.

We expect an extended period of accelerating financial repression – where interest rates are below the rate of inflation, forcing negative real returns upon savers. 'Stealing money from old people, slowly' as Russell Napier has memorably described it. We believe we are evolving into a staccato, stop-start world of higher inflation and faster economic growth. This will be driven by targeted government stimulus to tackle the big societal issues of the day; inequality, climate change and now the containment of the geopolitical aspirations of China and Russia.



Source: Bank of England, ASR Ltd/Refinitiv, data to March 2022

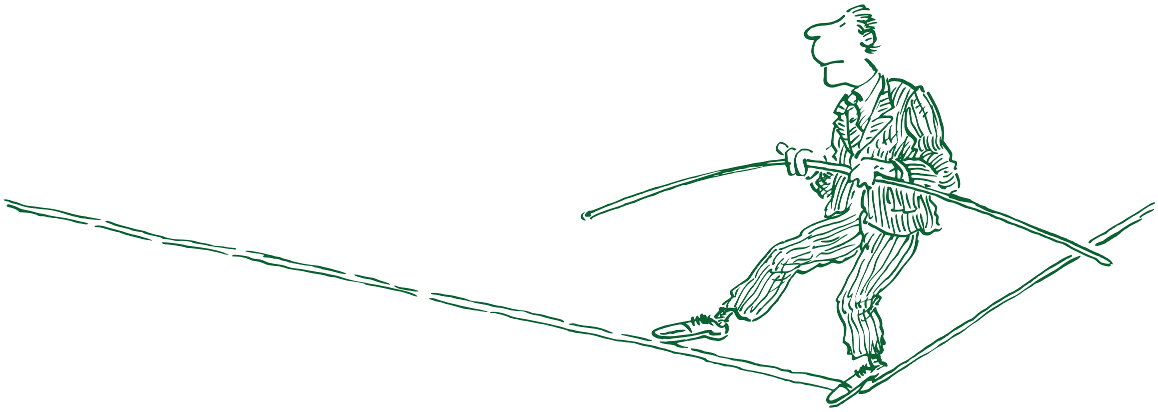
'Ketchup inflation'

With these trends will come much greater economic and market volatility – the great moderation of inflation, growth and geopolitics enjoyed over the last 40 years is over. Having spent a decade trying in vain to create inflation, like an impatient child slapping on a ketchup bottle, central bankers have now got too much, all at once, in an uncontrolled splat. Inflation was desired as a palliative treatment for the system, the least painful method of debt default and wealth redistribution from old to young and rich to poor – but this ketchup inflation is too hot to handle. The political imperative is that something must be done.

The short term – the impossible tightrope walk

Given that some inflation is desirable but too much is political suicide, perhaps the critical question is: how hard will central bankers fight inflation?

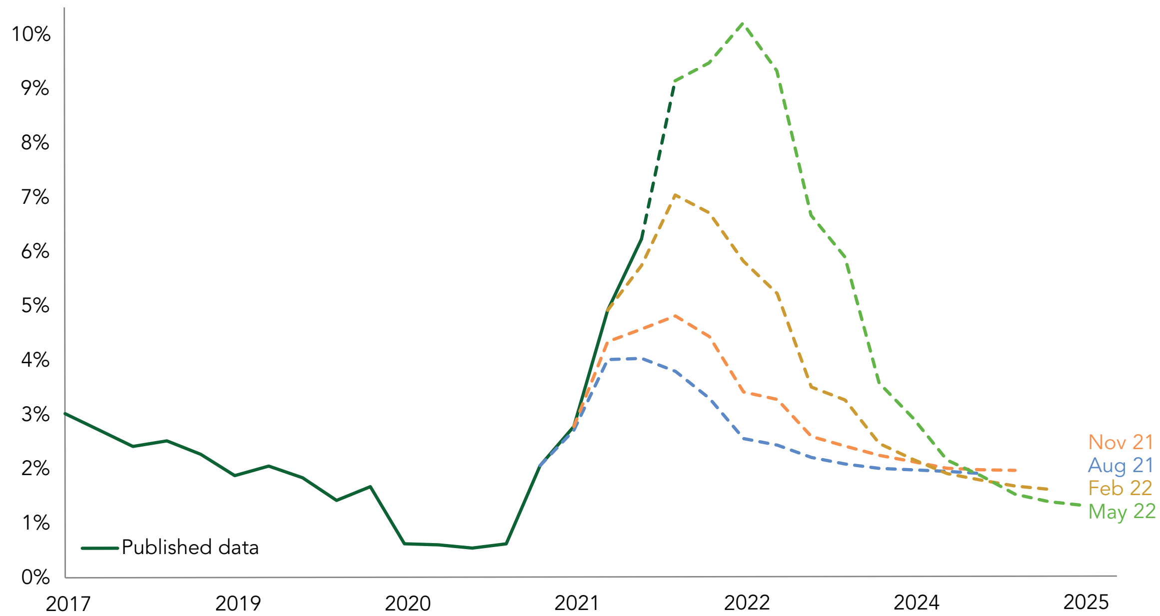
Monetary tightening is a little like going on a diet; easy to talk about and make detailed plans for, but difficult when it comes to the reality of the hard choices and abstinence.



From the current starting point of inflation at 40-year highs in both Europe and the US and a surging, fizzing jobs market – there are no good choices. Central bankers resemble quivering funambulists facing an impossible tightrope walk as they try to meet their objectives – full employment alongside low and stable inflation. Complicating matters further they have politicians breathing down their necks as inflation has spurred a cost of living crisis which now dominates the headlines. On one side, tighten conditions too much and unemployment will surge, probably tipping the economy into recession and crushing asset markets. On the other side, do not tighten enough and risk inflation getting embedded into wages, beginning the dreaded wage-price spiral of previous inflationary episodes.

To make an impossible situation worse the tightrope walker appears a little short-sighted. This chart shows the Bank of England's inflation forecasts and then the actual outturn (continuous green line) over the last year or so. In May 2021 the Bank of England thought inflation in summer 2022 would be around 2.5%. The actual result? 9.2%.

BANK OF ENGLAND MPC'S MODAL (BASELINE) CPI INFLATION FORECAST



Source: Bank of England, modal projections based on market pricing for Bank Rate over the forecast horizon

So, we must conclude that nobody has a clue – particularly not academic economists. Despite their recent mistakes they remain highly confident that inflation will drop back to around 2% by 2024 and stay there.

By June 2022, central bankers began the gradual process of rate rises in the UK and US. Indeed the Federal Reserve (Fed) is engaging in the multi-variate experiment of simultaneous rate hikes and quantitative tightening.

We are now starting to see what happens when more than a decade of easy money is removed from the system. As ex-Federal Reserve Governor Jeremy Stein said, 'the thing about monetary policy is that it gets in all the cracks'. There is no hiding from the reality of higher interest rates. Every tightening cycle throughout history has ended with a recession, a market crisis or both. 'The Fed hikes until something breaks' as the old adage goes.

Source: FactSet

The punchbowl is being taken away. Quantitative easing is melting away and quantitative tightening is beginning. Combined with rapid-fire rate hikes, it's a recipe for financial market sobriety.

It IS different this time

The policy reaction function has changed. For the last decade or so, downside risk was limited because investors knew that once equity markets declined 20% the Fed put would kick in and there would be policy easing. Today, given the need to dampen demand to tame inflation, the market upside is capped; rise too much and it will be met with more hikes and tighter financial conditions. The Fed wants higher risk premiums, and that means a lower market.

If it were to come, another Fed U-turn, similar to 2018's Powell Pivot or last November's abandoning the word "transitory", would be confirmation central bankers have lost control and America has entered an era of structurally high inflation.

The Bezzle

The economist John Kenneth Galbraith coined the idea of 'The Bezzle', a form of psychic wealth that can be created by mistake or self-delusion. The theory goes that if a collector has a Picasso painting (or should it be an NFT these days?) worth US$10 million and someone steals it, there is a period of time, potentially years, where both the collector and the thief believe they have a US$10 million asset and act accordingly. The effective wealth in their micro economy is US$20 million. Half of the wealth that exists in this moment is illusory and will be destroyed only when the collector identifies the crime. Today's bezzle is the trillions of dollars of assets held in crypto, profitless technology and venture capital funds globally. Although these sectors have felt significant pain already, we believe there is potentially much more to come as opacity, illiquidity and discretion around asset pricing allows the bezzle to be revealed slowly rather than with a bang.

The bear is only mid grizzle

How does an asset fall 95% in value? First it falls by 90% and then it halves!

Investors under the age of 60 have been conditioned to buy the dip. Central bank easing has always been just around the corner and the market recoveries are swift and steep. A look further back in history shows that the pattern many bear markets take is a steep drop, followed by a more prolonged, grind lower over a number of years. In these scenarios, buying the first downward lurch leaves your capital almost as impaired as buying at the top. Let me explain why we have high conviction that the bear market is not over, and stocks are not (yet) a buying opportunity.

The Fed is tightening into an economic slowdown.

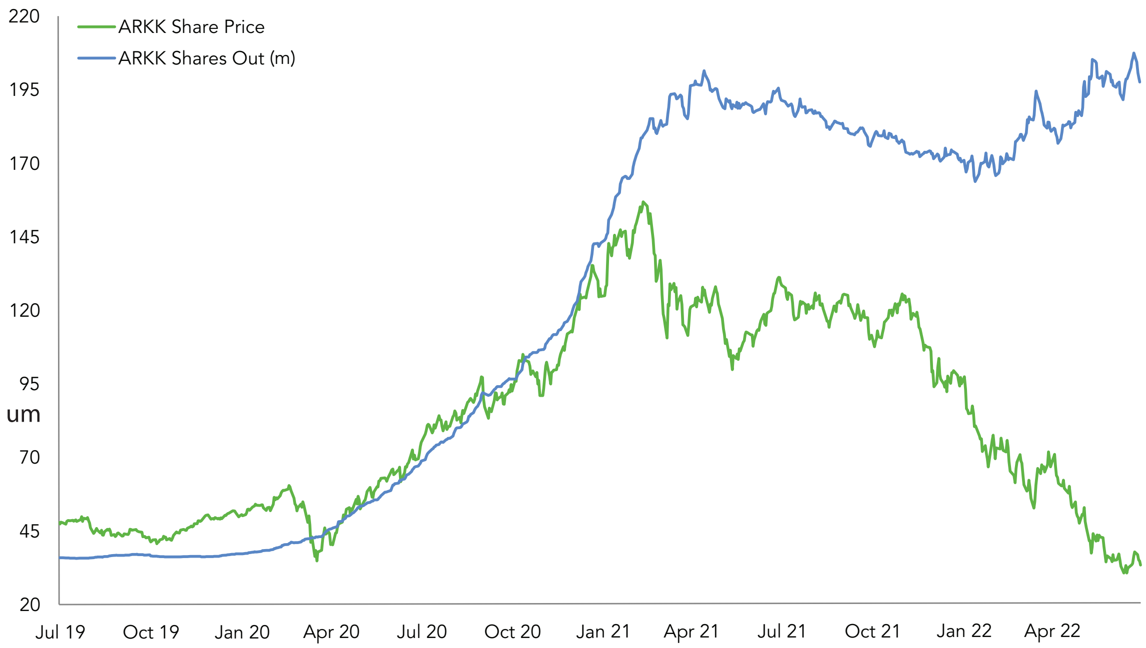
Valuations have come down to something more reasonable but are based on earnings estimates that remain too optimistic, still forecasting growth when flat would be a good result.

Valuations have fallen because bond yields have risen, not because the equity risk premium has widened.

Earnings reflect record high margins at a time of rising debt service, labour and energy costs and supply chain disruptions.

Consumer and CEO confidence is at multi year lows, suggesting demand reduction and recession.

So far we have seen limited signs of capitulation. In fact, flows have remained strongly positive into equity and credit throughout the sell-off. As the chart shows, ARK Innovation ETF has suffered no net redemptions despite declining 71% in price since the peak. The 'buy the dip' mentality is alive and well.



Source: Bloomberg, data to 30 June 2022

But the old rules no longer apply. Now that the cost of living crisis is front page news, the political imperative is to bring down inflation, not to support asset prices as in previous market sell-offs. Rather, we are in a negative feedback-loop, where any bear market rally sows the seeds of its own demise by loosening financial conditions, which in turn forces Central Banks to counteract.

Lastly, liquidity is the driver of market prices at the margin and this is likely to evaporate in coming months –as quantitative tightening takes hold, while rising short term rates creates a legitimate alternative to risky assets. The plumbing of the financial system exacerbates this liquidity squeeze by steering cash from banks to money market funds, which have less of a money multiplier effect in the economy. Banks, though not in danger, want to shed deposits and are not keen to expand their balance sheets, while money market funds reflect rate rises quickly and will attract flows.

Hard hats on!

In an episode of surprisingly and persistently high inflation, no allocation to risk escapes repricing. Investors in the Company delegate to Ruffer the task of assessing the economic and market landscape, evaluating the opportunity set and then deciding about how much risk to take.

We do not think this is a good environment to be risking our shareholders' capital.

Rather, we see the coming months as a period to survive, given the extent of the uncertainty around the Ukraine war, central bank policy, inflation, corporate earnings and the consequences of rising interest rates.

This is all happening as the tide of easy money recedes, and we strongly suspect that some people will be found to have been swimming naked.

In this environment, an allocation to cash is an underrated decision – it provides the certainty of a slow erosion by inflation, but it also gives you the option value of being able to move quickly. This is clearly reflected in our portfolio construction.

As our CIO Henry Maxey wrote in the Ruffer Review at the turn of the year: 'Winter is coming for liquidity, it's coming for narcissism, it's coming for crypto, it's coming for retail punting, and it is definitely coming for businesses which depend on any of these things'.

There are times for a get rich portfolio and times for a stay rich portfolio. We believe this is the latter. There will be better moments and better prices in the future.

In The Science of Hitting by legendary baseball slugger Ted Williams, the key observation was that you don't have to swing your bat at every pitch, only at the ones which look sufficiently attractive. That insight applies in spades to investing in risky assets at this juncture. We would rather lose half of our clients, than half of our client's money.

ASSET ALLOCATION AS AT 30 JUNE 2022

Protection	%
Illiquid strategies and options	18.0
Short-dated bonds	12.8
Cash	10.5
Index-linked gilts	8.9
Long-dated index-linked gilts	8.8
Gold exposure and gold equities	8.2
Non-UK index-linked	6.2
Global funds	1.2

Growth	%
UK equities	11.3
North America equities	5.4
Japan equities	5.3
Europe equities	3.0
Asia ex-Japan equities	0.4

As at 30 June 2022.

Source: Ruffer LLP

Ruffer AIFM Limited

4 October 2022

Responsible investment report

Ruffer LLP ("Ruffer") is committed to the effective stewardship of our investors' assets. We incorporate environmental, social and governance (ESG) considerations into our investment approach – both at an asset allocation level and in the selection of individual securities.

Responsible investment requires thoughtful consideration of the economy, environment, and society. It also means taking action. Primarily, we do this by systematically engaging with the companies in which we invest and exercising our voting rights to improve ESG outcomes.

This report outlines the principles and processes which define our approach to responsible investment and provides detail on the practical application thereof.

How we do it

Integration

At the macro level, ESG considerations enable us to assess systemic risk across markets and asset classes, such as sovereign bonds and listed equities. This level of analysis includes sector-specific trends or themes.

At the micro level, fundamental analysis of the securities we buy, sell and hold is embedded into our ESG framework. This allows us to identify opportunities for engaging with management, proxy voting and to collaborate with other shareholders or industry-level initiatives. Our framework affords a degree of flexibility, reflective of the fact that our investment conviction or stewardship activities (including our journey to Net Zero) may change in response to new information.

Application and resources

ESG considerations represent sources of both value and risk in the relatively concentrated portfolio of equity holdings in RICL. We first explore industry and sector-specific trends or themes, such as potential regulatory headwinds or industry best practices. The framework is then applied to individual securities to examine ESG related risks and opportunities.

Our ESG analysis incorporates a range of qualitative and quantitative considerations. These are drawn from internal and external research and from formal and informal data sources.

This includes:

- In-house ESG specialists working with Research Analysts to provide subject matter expertise both during the due diligence phase and throughout the holding period of the security

- Company statements including annual accounting and sustainability reports
- Data and research insights from MSCI ESG Research, Bloomberg and FactSet
- The Sustainability Accounting Standards Board (SASB) framework
- Insights from the Transition Pathway Initiative (TPI) and CDP (previously, the Carbon Disclosure Project) in the assessment of carbon risk management and the transition to Net Zero
- Institutional Shareholder Services (ISS) – providing proxy voting research and the voting platform to exercise our votes

Our ESG analysis extends to fixed income investments. For RICL, this applies primarily to sovereign debt. We have developed a proprietary tool to analyse sovereign ESG risks, consisting of country-level indicators to gauge each sovereign issuer's exposure. Specifically, we analyse environmental inputs ranging from renewable energy usage to waste recycling, and population studies assessing physical climate risk in low-lying areas. From a social and governance perspective, indicators are equally broad, touching on health and education, female labour force participation and measures of political stability and corruption.

Stewardship

Engagement

Engagement increases our understanding of the nature and significance of the various ESG risks facing investee companies. We engage independently and through collaborative initiatives, such as the Institutional Investors Group on Climate Change (IIGCC), Climate Action 100+ and the Investor Mining and Tailings Safety Initiative.

Effective engagement is focused on improving outcomes – for the environment and society, as well as for investors and other stakeholders.

Voting policy

It is Ruffer's policy to vote on Annual General Meeting and Extraordinary General Meeting resolutions, including shareholder resolutions and corporate actions, and we vote on all shareholdings in the companies held within RICL.

We have access to proxy voting research, currently from Institutional Shareholder Services, to assist our decision making. However, whilst we take note of proxy advisers' voting recommendations, we do not delegate or outsource our stewardship activities when deciding how to vote on our shareholdings.

Voting can also be seen as an escalation method, especially if the outcome of engagement with management has been unsatisfactory. In 2021, we voted against management predominantly on issues relating to the independence and effectiveness of directors, audit related resolutions and executive pay. We consider the effective governance of RICL's investee companies of paramount importance. Specifically, we use our voting rights to ensure the independence and effectiveness of board members. Governance concerns ranged from tenure and non-independence to attendance and remuneration. This has involved voting against the management of several investee companies including a US financial services firm, a UK bank, a US energy firm, a US healthcare business and a Japanese media group.

Climate change

Our commitment to reducing carbon emissions applies to Ruffer, RICL, and to RICL's investee companies.

Businesses increasingly face two sorts of risk: physical risks from the increased incidence and severity of climatic events; and transition risks from the policy and technological changes necessary to move to a Net Zero economy. These risks, if poorly managed, could harm our shareholders' investments.

The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) help us determine the nature, scale and management of climate-related risks and opportunities across sectors and regions.

We published our inaugural TCFD report in 2021. It introduced Ruffer's Climate Change Framework and directly responds to the recommendations of the TCFD. The report also exhibits our climate-related activities over the past few years and provides an insight into how our understanding of the risks facing our investee companies has evolved.

In March 2022, Ruffer committed to the Net Zero Asset Managers initiative, and we will disclose more information about how we will meet the requirements by March 2023.

We disclose details of our voting, engagement activity and progress towards Net Zero in our quarterly Responsible Investment Reports and annual Stewardship Report – published on Ruffer's website and distributed to clients and investors.

ESG disclosures

Ruffer has been a signatory to the Principles for Responsible Investment (PRI) since 2016, and we have had A+ scores for strategy and governance and A scores in listed equity incorporation and active ownership since 2018.

In 2021 we were confirmed as a signatory to the revised UK Stewardship Code.

We are members of Climate Action 100+ and the IIGCC as well as supporters of the TPI. In 2021, we also supported the launch of the Association of Investment Companies (AIC) initiative for disclosure of the ESG policies of all investment companies, full details of which are on the AIC website.

Case studies

Pfizer

Pfizer develops, manufactures and distributes biopharmaceutical products worldwide.

Our engagement with Pfizer has focused on four fronts:

- Climate strategy
- Lobbying transparency
- Access to medicine
- Management alignment to ESG initiatives

1. Climate Strategy: Pfizer is targeting Net Zero across scope 1 and 2 emissions by 2030. For scope 3 emissions, Pfizer has a team which engages with suppliers to encourage them to meet carbon neutrality pledges and adopt science-based targets. However, pressed on the level of current ambition and capability, the company admitted it is unlikely to match pledges made by peers in the pharmaceutical industry, including AstraZeneca.
2. Lobbying transparency: Following the ISS recommendation that shareholders vote against management on lobbying resolutions, we sought deeper and more detailed disclosure on the role of lobbying at a company and sector level. Management provided assurance that the level of disclosure was in line with peers.
3. Access to medicine: The experience of the coronavirus pandemic has sharpened investor focus on the role of pharmaceutical companies in equalising access to medicine. On our request for evidence of practical efforts, the company pointed to its work with the Global Alliance for Vaccines and Immunization (GAVI) in lower and middle income countries. Pfizer decided not to license out production of its covid-19 vaccine, because of supply chain constraints which the

company felt best placed to manage in these circumstances. It has licensed out production of its new covid-19 pill and will not be collecting royalties on this.

4. Management alignment to ESG initiatives: Our queries centred on how the governance structure supports ESG initiatives. We received reassurance that the introduction of ESG metrics into remuneration policies is being considered.

Shell

Shell is a global energy and petrochemicals company involved in exploration, refining and marketing in more than 70 countries.

Our engagement with Shell has focused on the company's climate transition strategy. This included:

- Target setting and approach
- The role of 'offsets'
- Operations in Nigeria

1. Target setting and approach: In addition to its existing carbon intensity reduction targets (covering scope 1, 2 and 3 emissions), Shell has announced absolute reduction targets of 50% compared with 2016 levels across its scope 1 and 2 emissions by 2030. We encouraged the company to also consider setting interim absolute reduction targets whilst acknowledging the constraints of current consumer behaviour.
2. The role of 'offsets': We sought to better understand the role of 'offsets' in the transition to Net Zero, primarily carbon capture utilisation and storage (CCUS) and nature-based solutions (NBS). The company confirmed that these initiatives command only a minimal part of its capital expenditure. Shell has set ambitious targets, notably the capture of 25 million tonnes of carbon per annum (mtpa) by 2035. We pushed the company on the credibility of this target, given the average CCUS plant captures around 1.5 mtpa and currently Shell only has two operating plants. In addition, Shell confirmed that current projects are dependent on both government and corporate partner support. Developments in the pricing of carbon will have a significant bearing on the company's progress on this front and we anticipate greater and continued involvement in the coming months and years.
3. Operations in Nigeria: We requested further details regarding Shell's plans to exit its onshore oil operations in Nigeria. Concurrently, we pushed the company to specify a timeline and publish findings on what this meant for the ongoing controversies with local communities. The company has attempted multiple unsuccessful initiatives (Nigeria represents Shell's largest

social investment spend) and confirmed that disinvestment was the last resort. We received reassurance Shell was not relinquishing its commitment to help communities affected by past controversies.

Climate risk data

In our 2021 Stewardship Report, we highlighted how we are engaging on climate risk with our third party data provider.

One of the key advantages of Ruffer's approach to integrating ESG factors into our investment process is the ability to pair top-down data from third party ESG providers with bottom-up analysis conducted by our dedicated team of research and responsible investment analysts. Because we have one investment approach with a concentrated portfolio, our analysts aim to devote the necessary time and resources to developing a deep and holistic understanding of each security and the associated ESG risks and opportunities. This enables us to evaluate the output of the climate scenario analysis and integrate it into our investment approach.

As detailed in our Stewardship Report, we are comfortable with the climate modelling that informs much of the climate risk data generated by our third party provider. However, we have had difficulty reconciling how the provider's macro analysis matches with the more granular, company specific detail. Where the provider's outputs are not aligned with our Research Analysts' understanding of the businesses in question, we have entered into discourse with the provider. This was especially evident with regards to the way the provider calculates technology opportunities and attributes physical risks. This remains the subject of ongoing engagement, more details of which can be found in Ruffer's Q2 2022 Responsible Investment report.

Top ten holdings

Investments	Currency	Holding at 30 June 22	Fair value £	% of total net assets
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	80,339,911	102,059,244	10.71
Ruffer Protection Strategies International*	GBP	13,264,859	69,339,398	7.28
US Treasury inflation indexed bond 0.625% 15/04/2023	USD	50,000,000	48,578,000	5.10
Ishares Physical Gold	USD	1,620,000	46,878,634	4.92
US Treasury floating rate bond 31/01/2024	USD	50,000,000	41,144,576	4.32
UK index-linked gilt 0.125% 22/03/2024	GBP	24,000,000	35,000,109	3.67
UK index-linked gilt 1.875% 22/11/2022	GBP	20,000,000	33,647,195	3.53
US Treasury floating rate bond 31/10/2023	USD	35,000,000	28,786,336	3.02
UK index-linked gilt 0.125% 22/03/2068	GBP	12,907,220	25,128,271	2.64
LF Ruffer Gold Fund*	GBP	9,579,120	23,966,709	2.52

* Ruffer Illiquid Multi Strategies Fund 2015 Ltd and Ruffer Protection Strategies International are classed as related parties as they share the same Investment Manager (Ruffer AIFM Limited) as the Company. LF Ruffer Gold Fund and Ruffer SICAV UK Mid & Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

Directors

At the date of this report, the Company has six non-executive Directors, all of whom are independent.

Christopher Russell, a resident of Guernsey, is a non-executive director of investment and financial companies. These include Hanseatic Asset Management Ltd, a family office in Guernsey, and JPMorgan Global Core Real Estate Assets Ltd, a vehicle which invests in unlisted global JPMorgan real estate and infrastructure funds. Prior to a non-executive career, Chris was a director of Gartmore Investment Management plc, where he was Head of Gartmore's businesses in the US and Japan. Before that he was a holding board director of the Jardine Fleming Group in Asia, resident in Japan then Hong Kong. Prior to joining Flemings in London, he was with Phillips & Drew Asset Management. He is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales. He was commissioned by John Wiley to publish in 2006 'Trustee Investment Strategy for Endowments and Foundations'. Mr. Russell was appointed to the Board on 1 December 2016 and became Chairman of the Board on 4 December 2020.

Shelagh Mason, a resident of Guernsey, is a solicitor specialising in English commercial property. She retired as a consultant with Collas Crill LLP in October 2020. She is also non-executive Chairman of the Channel Islands Property Fund Limited, sits on the Board of Riverside Capital PCC and Skipton International Limited, a Guernsey Licensed bank, and until 28 February 2022 was a non-executive director of The Renewables Infrastructure Group Limited, a FTSE 250 company, when she retired after 9 years on the board. Shelagh also sits on the board of Starwood European Real Estate Finance Limited, a London-listed company. Previously Shelagh was a member of the board of directors of Standard Life Investments Property Income Trust Limited, a property fund listed on the London Stock Exchange, for 10 years until December 2014. She retired from the board of MedicX Fund Limited, a main market listed investment company investing in primary healthcare facilities in 2017 after 10 years on the board. She is a past Chairman of the Guernsey Branch of the Institute of Directors, a member of the Chamber of Commerce and the Guernsey International Legal Association, and she also holds the IOD Company Direction Certificate and Diploma with distinction. Mrs Mason was appointed to the Board on 1 June 2020.

Jill May, a resident of the United Kingdom, has 25 years' experience in investment banking, 13 years in M&A with S.G. Warburg & Co. Ltd. and 12 years as a Managing Director at UBS, focused on group strategy and organisational change. She has broad knowledge of investment banking, asset management and private banking in the UK and EMEA. She is an External Member of the Prudential Regulation Committee of the Bank of England and was a non-executive director of the CMA from its inception in 2013 until October 2016, and a Panel Member of the CMA until

2018. She is a non-executive director of JPMorgan Claverhouse, a UK listed investment trust, abrdn Property Income Trust, a UK-listed REIT, and of AlphaFMC, a UK-listed financial consulting company. Ms. May was appointed to the Board on 17 March 2017, became Senior Independent Director on 4 December 2020 and will retire on 2 December 2022.

David Staples, a resident of Guernsey, is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Chartered Institute of Taxation. He also holds the Institute of Directors' Diploma in Company Direction. For thirteen years until 2003, Mr Staples was a partner with PricewaterhouseCoopers (PwC) and led the tax practice in the South East of England advising several large family and owner-managed businesses. He was also a member of the management board of the firm's London and South East Middle Markets Tax Practice. Since leaving PwC, Mr Staples has joined the boards of several listed companies as a non-executive director. He has served as chairman of MedicX Fund Limited and chairman of the audit committees of Henderson Far East Income Limited and Aberdeen Private Equity Fund Limited. He is currently a director of NB Global Monthly Income Fund Limited and Baker Steel Resources Trust Limited, both of which are listed on the London Stock Exchange. He is also a director and chairman of the general partners of several private equity funds advised by Apax Partners. Mr Staples was appointed to the Board on 2 March 2018 and will retire on 2 December 2022.

Nicholas Pink, a resident of the United Kingdom, has extensive senior management experience in financial services with previous roles at UBS Investment Bank, including Global Head of Research, Head of European Research, Head of Asia Research and Head of European Equities. Prior to this he was Head of European Utilities Research at UBS Investment Bank. He is a non-executive director of JP Morgan Russian Securities plc, a UK-listed investment trust, and of Redburn Europe Limited, an independent provider of research and execution services to institutional investors. Mr Pink was appointed to the Board on 1 September 2020.

Susie Farnon, a resident of Guernsey, is a Fellow of the Institute of Chartered Accountants in England and Wales and a non- executive director of a number of property and investment companies (as further detailed below). Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit KPMG Channel Islands from 1999. She has served as President of the Guernsey Society of Chartered and Certified Accountants and as a member of the States of Guernsey Audit Commission and Vice-Chairman of the Guernsey Financial Services Commission. Susie was appointed as a non-executive director of the Association of Investment Companies, the UK Investment Companies' trade body, on 1 April 2018. Susie was appointed to the Board on 1 September 2022.

Report of the Directors

The Directors of the Company present the audited Financial Statements and their report for the year ended 30 June 2022 which have been prepared in accordance with the Companies (Guernsey) Law, 2008 ('company law').

Registration

The Company was incorporated with limited liability in Guernsey on 1 June 2004 as a company limited by shares and as an authorised closed-ended investment company. As an existing closed-ended fund the Company is deemed to be granted an authorised declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules and Guidance 2021.

Principal activity and investment objective

The Company is a Guernsey authorised closed-ended investment company with a premium listing on the London Stock Exchange (LSE). The principal objective of the Company is detailed in the strategic report on page 10 of the Financial Statements.

Share issuance

During the year, 104,497,127 new redeemable participating preference shares were allotted or issued under the block listing facility (30 June 2021: 23,930,000 redeemable participating preference shares issued). Details of the block listing facility are set out in note 13 on pages 100 and 101.

In addition, in December 2021 the Company issued 13,787,221 new redeemable participating preference shares by way of an Open Offer, Offer for Subscription and Intermediaries Offer as set out in a prospectus published in November 2021.

Purchase of own shares by the Company

The Company may purchase, subject to various terms as set out in its Articles and in accordance with the Companies (Guernsey) Law, 2008, up to 14.99%. of the Company's shares in issue following the admission of shares trading on the LSE's market for listed securities. For additional information refer to note 20 on pages 119 to 121.

The Company did not buy back any shares during the year (30 June 2021: Nil).

The Board also has the discretion to operate the Redemption Facility, offering shareholders the possibility of redeeming all or part of their shareholding for cash at NAV, if it appears appropriate to do so.

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 85. Details of dividends paid and proposed are set out in note 5 on page 95.

Subsequent events

Events occurring after the balance sheet date are disclosed in note 21 on pages 121 and 122 in the Financial Statements.

Shareholder information

The Company announces its unaudited NAV on a weekly basis and at the month end. A monthly report on investment performance is published by the Company's Investment Manager, on the Company's website, ruffer.co.uk/ric.

Investment management

The key terms of the Investment Management Agreement and specifically the fee charged by the Investment Manager are set out in notes 8 and 16 of the Financial Statements.

The Board reviews on an ongoing basis the performance of the Investment Manager and considers whether the investment strategy utilised is likely to achieve the Company's investment objective of realising a positive total annual return, after all expenses, of at least twice the return of the Bank of England Bank Rate.

In accordance with Listing Rule 15.6.2 (2) R and having formally appraised the performance, investment strategy and resources of the Investment Manager, the Board has unanimously agreed that the interests of the shareholders as a whole are best served by the continuing appointment of the Investment Manager on the terms agreed.

The Investment Management Agreement will continue in force until terminated by the Investment Manager or the Company giving to the other party thereto not less than 12 months' notice in writing.

Directors

The details of the Directors of the Company during the year and at the date of this report are set out on pages 38 and 39 and in the Management and Administration summary on page 129.

Directors' interests

The details of the number of redeemable participating preference shares held beneficially by the Directors who held office at 30 June 2022 and up to the date of this report are set out on in note 16 on pages 103 and 104.

Substantial share interests

As at 31 August 2022*, the Company has received notifications in accordance with the FCA's Disclosure and Transparency Rule 5.1.2 R of the following interests in 3% or more of the voting rights attaching to the Company's issued shares.

Investor	Shares held	% of issued share capital
Brewin Dolphin, stockbrokers	50,258,143	14.82
Hargreaves Lansdown, stockbrokers	31,276,370	9.22
Rathbones	30,464,974	8.98
Interactive Investor	27,013,473	7.96
Evelyn Partners	18,881,288	5.57
Charles Stanley	17,577,863	5.18
AJ Bell, stockbrokers	15,608,260	4.60

*Data is taken from the latest available Share Register Analysis produced by Richard Davies Investor Relations Limited

International tax reporting

For the purposes of the US Foreign Accounts Tax Compliance Act (FATCA), the Company registered with the US Internal Revenue Service (IRS) as a Guernsey reporting Foreign Financial Institution (FFI) in June 2014, received a Global Intermediary Identification Number (99DLPF.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard (CRS) is a standard developed by the Organisation for Economic Co-operation and Development (OECD) and is a global approach to the automatic exchange of tax information, to counter tax evasion and to build upon other information-sharing legislation, such as FATCA. Guernsey has adopted the CRS, which came into effect on 1 January 2016.

The Board confirms that the Company's FATCA and CRS submissions for 2021 were submitted by the deadline of 30 June 2022.

The Company is committed to zero tolerance towards the facilitation of tax evasion.

Alternative Investment Fund Managers Directive

The Company is categorised as a non-EU Alternative Investment Fund (AIF). The AIFMD seeks to regulate managers of AIFs, such as the Company. It imposes obligations on AIFMs who manage AIFs in a member state of the European Economic Area (EEA state), or who market shares in AIFs to investors who are domiciled, or with a registered office, in an EEA state. Under the AIFMD, an AIFM must be appointed and must comply with various organisational, operational and transparency requirements.

The Company has appointed the Investment Manager to act as AIFM on behalf of the Company. The Investment Manager is responsible for fulfilling the role of the AIFM and ensuring the Company complies with the AIFMD requirements. The AIFM has no direct employees as it delegates its duties to Ruffer LLP. Ruffer LLP's employee remuneration disclosure requirements under the AIFMD are included in its Pillar III remuneration disclosure statement.

Non-mainstream Pooled Investments

The Company intends to be operated in such a manner that its shares are not categorised as non-mainstream pooled investments. Among other things, this requires the Company to pay dividends such that it retains no more than 15% of the income that it receives or is deemed to receive for UK tax purposes on an annual basis so that it would qualify as an investment trust if it were UK tax-resident.

Disclosure of information to the Independent Auditor ("the Auditor")

Each of the persons who is a Director at the date of approval of the Financial Statements confirms that

1. so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware and
2. each Director has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Companies (Guernsey) Law, 2008.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable Guernsey law and regulations.

Guernsey company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Financial Statements, International Accounting Standard 1 requires that directors –

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable, relevant and reliable
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and
- use the going concern basis of accounting, unless they either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with company law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the oversight of the maintenance and integrity of the corporate and financial information included on the Company's website, ruffer.co.uk/ric. Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge –

- the Financial Statements have been prepared in conformity with IFRS as issued by the IASB and adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.1.12
- the Annual Financial Report, taken as a whole, is fair, balanced and understandable and provide the information necessary for the shareholders to assess the Company's performance, business model and strategy and
- the Annual Financial Report including information detailed in the Chairman's review, the Report of the Directors, the Investment Manager's report, the Report of the Depositary and the notes to the Financial Statements, includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces, as required by
  - a DTR 4.1.8 and DTR 4.1.9 of the Disclosure and Transparency Rules, being a fair review of the Company business and a description of the principal risks and uncertainties facing the Company and
  - b DTR 4.1.11 of the Disclosure and Transparency Rules, being an indication of important events that have occurred since the end of the financial year and the likely future development of the Company.

On behalf of the Board

David Staples
Director
4 October 2022

Corporate governance statement

Corporate governance

On 1 January 2016, the Company became a member of the Association of Investment Companies (AIC) and complies with the 2019 AIC Code of Corporate Governance issued in February 2019 ('the AIC Code'), effective for accounting periods commencing on or after 1 January 2019. By complying with the AIC Code, the Company is deemed to comply with both the UK Corporate Governance Code 2018 ('the UK Code') and the Guernsey Financial Services Commission (GFSC) Finance Sector Code of Corporate Governance (as amended in June 2021) ('the GFSC Code').

To ensure ongoing compliance with these principles the Board receives a report from the Company Secretary on an annual basis identifying how the Company is in compliance and identifying any areas of non-compliance. The Company has complied with the principles and provisions of the UK Code throughout the year, with the following exceptions –

- the Company has no chief executive, as envisaged by principle G and provision 9 of the UK Code. See the Composition and independence of the Board section on pages 50 to 52 below
- the Company has no internal audit function, as envisaged by principle M and provision 25 of the UK Code. See the Internal control section on pages 57 and 58 below
- the Company does not have a remuneration committee, as required by principle Q and provision 32 of the UK Code. See the Remuneration Committee section on page 56 below.

The AIC Code is available on the AIC's website, theaic.co.uk.

The Board, having reviewed the AIC Code, considers that it has maintained procedures during the year ended 30 June 2022 and up to the date of this report to ensure that it complies with the AIC Code except as detailed above.

Guernsey regulatory environment

The GFSC Code comprises Principles and Guidance, and provides a formal expression of good corporate practice against which shareholders, boards and the GFSC can better assess the governance exercised over companies in Guernsey's finance sector. The GFSC recognises that the different nature, scale and complexity of business will lead to differing approaches to meeting the GFSC Code.

Purpose of the Company

The purpose of the Company is to provide its shareholders with access to a portfolio of equity, equity-related and debt investments that will produce a positive return of at least twice the Bank of England bank rate. For further details, see the strategic report section on pages 12 to 18.

Role of the Board

The Board is the Company's governing body and has overall responsibility for ensuring the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of investors. A summary of the Board's responsibilities is as follows –

- statutory obligations and public disclosure
- strategic matters and financial reporting
- capital management, including gearing and dividend policy
- review of investment performance and associated matters
- risk assessment and management including reporting compliance, governance, monitoring and control and
- other matters having a material effect on the Company.

The Board's responsibilities for the Annual Report are set out in the Statement of Directors' Responsibilities on pages 43 to 45.

The Board has contractually delegated responsibility for the management of its investment portfolio, the arrangement of custodial and depositary services and the provision of accounting and company secretarial services. The Board has adopted a schedule of matters specifically reserved for its decision-making and distinguishing these from matters it has delegated to the Company's key service providers. This schedule is available on the Company's website, ruffer.co.uk/ric.

The Board needs to ensure that the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

In seeking to achieve this, the Directors have set out the Company's investment objective and strategy (see pages 12 and 13) and have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Financial Statements the Board has sought to provide further information to give shareholders a fair, balanced and understandable view.

Relations with shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Board receives regular reports on the views of its shareholders from the Company's Broker and Investment Manager which are taken into consideration as part of the Board's decision-making process.

The Chairman and other Directors are available to meet shareholders if required and the AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors of the Company.

The Chairman and Directors offer to meet with shareholders at regular investor presentations co-ordinated by the Investment Manager to discuss key strategic matters and any issues raised by shareholders.

In addition, the Investment Manager maintains a website which contains comprehensive information, including financial reports, prospectus and monthly reports on investment performance which contains share price information, investment objectives, investment reports and investor contacts.

Stakeholders and Section 172

Whilst directly applicable to companies incorporated in the UK, the Board recognises the intention of the AIC Code that matters set out in section 172 of the Companies Act, 2006 are reported. The Board strives to understand the views of the Company's key stakeholders and to take these into consideration as part of its discussions and decision-making process. As an investment company the Company does not have any employees and conducts its core activities through third-party service providers. Each service provider has an established track record and is required to have in place suitable policies and procedures to ensure it maintains high standards of business conduct, treats customers fairly, and employs corporate governance best practice.

The Board's commitment to maintaining high-standards of corporate governance, combined with the Directors' duties incorporated in the Companies (Guernsey) Law, 2008, the Company's constitutive documents, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation, ensure that shareholders are provided with frequent and comprehensive information concerning the Company and its activities.

Whilst the primary duty of the Directors is owed to the Company as a whole, all Board discussions involve careful consideration of the longer-term consequences of any decision and their implications for stakeholders. Particular consideration is given to the continued alignment between the activities of the Company and those that contribute to delivering the Board's strategy, which include the Company's Investment Manager, the AIFM, the Administrator, the Broker and the Custodian.

Through the Board's ongoing programme of shareholder engagement (see 'Relations with shareholders' above) and the reports produced by each key service provider at quarterly Board meetings, the Directors are satisfied that sufficient information is provided so as to ensure the matters set out in section 172 of the Companies Act are taken into consideration as part of the Board's decision-making process.

The Board respects and welcomes the views of all stakeholders. Any queries or areas of concern regarding the Company's operations can be raised with the Company Secretary.

Section 172 statement

Although the Company is not domiciled in the UK, through adopting and reporting against the best practice principles set out in the AIC Code, the Company is voluntarily meeting any obligations under the UK Corporate Governance Code, including section 172 of the Companies Act 2006.

The Board of Directors recognise their individual and collective duty to act in good faith and in a way that is most likely to promote the success of the Company for the benefit of its members as a whole, whilst also having regard, amongst other matters, to the Company's key stakeholders and the likely consequences of any decisions taken during the year, as set out below.

- *The interests of the Company's employees:* the Company has no direct employees and maintains close working relationships with the employees of the Investment Manager and the Administrator, who undertake the Company's main functions. Refer to the report of the Management Engagement Committee on pages 69 and 70.
- *The impact of the Company's operations on the community and the environment:* whilst the Company has a limited impact on the community and environment in respect of its day to day activities, the Board notes that the Investment Manager recognises that environmental responsibility is core to its longer term business success, and actively integrates environmental, social and corporate governance (ESG) issues into its investment process. The Investment Manager's ESG policy is available upon request. For more detail, please see the Responsible investment report on pages 30 to 36.
- *The need to foster the Company's business relationships with suppliers and others:* the Board maintains close working relationships with all key suppliers and those responsible for delivering the Company's strategy. The contractual relationship with each supplier and their

performance is formally reviewed each year. Refer to the report of the Management Engagement Committee on pages 69 and 70.

- *The desirability of the Company maintaining a reputation for high standards of business conduct:* the Chair is responsible for setting expectations concerning the Company's culture and the Board ensures that its core values of integrity and accountability are demonstrated in all areas of the Company's operation.
- *The need to act fairly between Shareholders of the Company:* the Board, in conjunction with the Investment Manager and Broker, engages actively with Shareholders to understand their views and to ensure their interests are taken into consideration when determining the Company's strategic direction. Refer to the section on 'Relations with shareholders' above.

The Company engaged with shareholders on a number of occasions throughout the financial year, with the issue of five shareholder circulars and two prospectuses. Shareholders voted overwhelmingly in favour on each occasion to provide the Board with authority to issue shares on a non-pre-emptive basis, and at an EGM held in April 2022, to increase the cap on the ordinary remuneration of the Directors from £200,000 to £300,000 per annum.

During the year, the Company issued a total of 118,284,348 shares, including an offering to both retail and institutional shareholders. The increase in market capitalisation of the Company to nearly £1 billion led to the Company's entry into the FTSE 250 Index in March 2022. This significant growth has been to the advantage of all shareholders leading to the broadening of the shareholder base, accretion to NAV and an improvement in the liquidity of the Company's shares. The reasons for seeking shareholder authority to issue shares were stated in the Circulars and are detailed by the Chairman in the Share issuance section of his statement.

Composition and independence of the Board

The Board currently comprises six non-executive Directors, all of whom are considered to be independent. The current size of the Board reflects parallel running of the current and prospective Audit chairs for three months, before reverting to five Directors, which the Board considers to be its optimal size for the time being, after the 2022 AGM. The Board considers that it has a good balance of skills and experience to ensure it operates effectively. The Directors of the Company are listed on pages 38 and 39 and in the Management and Administration summary on page 129.

The Company has no employees and therefore there is no requirement for a chief executive. None of the Directors has a contract of service with the Company.

The current Chairman of the Board is Mr Christopher Russell. Mr Russell was appointed as Chairman of the Board on 4 December 2020.

The Chairman of the Board must be independent for the purposes of Chapter 15 of the Listing Rules. Mr Russell is considered independent because he –

- has no current or historical employment with the Investment Manager
- has not provided any professional advisory services to the Investment Manager and
- has no current directorships in any other investment funds managed by the Investment Manager.

As Chairman, Mr Russell is responsible for leading the Board of Directors and for ensuring its effectiveness in all aspects of its role. The key responsibilities of the Chairman are as follows –

- meeting with major shareholders to obtain a balanced understanding of any issues, concerns, and providing feedback to the Board
- demonstrating ethical leadership and promoting the highest standards of integrity, probity and corporate governance throughout the Company
- setting the Board's agenda and ensuring the Board has in place effective decision-making processes which are supported by accurate and high-quality information and
- leading the annual performance evaluation of the Board and taking all appropriate actions based on the results of the evaluation.

In accordance with the AIC Code and in recognition of the Board's desire to maintain high standards of corporate governance, the Board appointed Mrs Jill May as the Company's Senior Independent Director (SID) with effect from 4 December 2020.

The key roles and responsibilities of the SID are as follows –

- providing support to the Chairman in relation to matters of Board effectiveness and governance
- being available to shareholders and the other Directors as an additional point of contact or to communicate any concerns to the Board
- leading the annual performance evaluation of the Chairman of the Board and succession planning for the Chairman's role and
- attending meetings with major shareholders alongside the Chairman, as required.

The Board has engaged external companies to undertake the investment management, administrative and custodial activities of the Company. Documented contractual arrangements are in place with these companies which define the areas where the Board has delegated responsibility to them. For additional information refer to page 47.

The Company holds a minimum of four Board meetings per year to discuss strategy, general management, structure, finance, dividend payments, capital management, corporate governance, ESG matters, marketing, risk management, compliance and gearing, contracts and performance. The quarterly Board meetings are the principal source of regular information for the Board, enabling it to determine policy and to monitor performance, compliance and controls but these meetings are supplemented by communication and discussions throughout the year.

Representatives of the Investment Manager, Administrator and Company Secretary attend each Board meeting either in person or by videoconference, thus enabling the Board to fully discuss and review the Company's operations and performance. In addition, representatives from the Company's Broker attend at least two Board meetings a year. Each Director has direct access to the Investment Manager and Company Secretary and may at the expense of the Company seek independent professional advice on any matter.

Attendance at the Board and other meetings during the year was as follows –

	Board		Audit & Risk Committee		Management Engagement Committee	
Meetings	Scheduled	Attended	Scheduled	Attended	Scheduled	Attended
Christopher Russell	4	4	3	3	1	1
Jill May	4	4	3	3	1	1
David Staples	4	4	3	3	1	1
Shelagh Mason	4	4	3	3	1	1
Nicholas Pink	4	4	3	3	1	1

Susie Farnon was appointed subsequent to the year end, and therefore did not attend any meetings during the year. In addition to the above meetings, a number of ad-hoc meetings of an administrative nature were held during the year.

Conflicts of interest

Directors are required to disclose all actual and potential conflicts of interest as they arise for approval by the Board, who may impose restrictions or refuse to authorise conflicts. The process of consideration and, if appropriate, approval will be conducted only by those Directors with no material interest in the matter being considered. The Board maintains a Conflicts of Interest policy which is reviewed periodically and a Business Interests and Potential Conflicts of Interest Register which is reviewed by the Board at each quarterly Board meeting.

Directors' indemnity

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Re-election

The Company's Articles prescribe that, at each AGM, one-third of the Directors shall retire from office and may offer themselves for re-election. However, in line with best practice, the Board has determined that all of the Directors should stand for re-election at each AGM.

Accordingly, on 3 December 2021 at the 16th AGM of the Company, Nicholas Pink, Shelagh Mason, Jill May, Christopher Russell and David Staples retired as Directors of the Company and, being eligible, offered themselves for re-election, and were re-elected as Directors of the Company by the Shareholders.

On 16 June 2022, the Company announced that David Staples and Jill May have confirmed that they will retire from the Board on 2 December 2022, and that they would be replaced as Directors by Susie Farnon (with effect from 1 September 2022) and Solomon Soquar (with effect from 2 December 2022). The Board remains satisfied that the individual contributions of each Director are, and will continue to be, important to the Company's long-term sustainable success. Accordingly, at the 17th AGM of the Company to be held on 2 December 2022, Susie Farnon and Solomon Soquar will be proposed for election, and Christopher Russell, Nicholas Pink and Shelagh Mason will be proposed for re-election. Further details regarding the experience of each of the Directors are set out on pages 38 and 39.

The Directors may at any time appoint any person to be a Director either to fill a vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for election at, the next general meeting following their appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an AGM.

Board evaluation

Towards the end of the prior financial year, the Board engaged Lintstock, a firm highly experienced in conducting board evaluations, to facilitate an external evaluation of the Board, the Chairman and the Investment Manager. The Board evaluation considered a broad range of areas including;

Board composition and expertise, Board dynamics, the structure of the Board and its Committees, Board oversight of investment strategy and performance, relations with shareholders, oversight of risk management, succession planning and priorities for change during the forthcoming financial year.

The Investment Manager evaluation considered the success of the Company's investment policy, benchmarking against a peer group, the Investment Manager's communication of strategy and performance to the Board, shareholder perception of the Investment Manager and priorities for change during the forthcoming financial year.

The external evaluation identified the Board as a well-functioning body, with areas identified for further consideration including: seeking deeper engagement with shareholders following the change of Chair and SID; and ensuring effective face-to-face meetings between the Board and Investment Manager in the post-covid-19 environment. In November 2021, the Chairman and one Director attended an investment meeting arranged by Ruffer with a number of shareholders. Face-to-face meetings between the Board and the Investment Manager have resumed since the end of covid-19-related lock-downs.

The next externally facilitated Board evaluation will be conducted in relation to the financial year ending 30 June 2024.

During the financial years where an external evaluation is not conducted, the Board conducts an annual self-evaluation of its performance and that of the Company's individual Directors, which is led by the Chairman and, as regards the Chairman's performance evaluation, by the Senior Independent Director. The annual self-evaluation considers how the Board functions as a whole, taking into account the balance of skills, experience and length of service of each Director, and also reviews the individual performance of its members.

To facilitate the self-evaluation, the Company Secretary circulates a detailed questionnaire to each Director and a separate questionnaire for the evaluation of the Chairman. The questionnaires, once completed, are returned to the Company Secretary who collates responses, prepares a summary and discusses the Board evaluation with the Chairman prior to circulation to the remaining Board members. The performance of the Chairman is evaluated by the other Directors, led by the Senior Independent Director.

The Board considers the annual self-evaluation process to be appropriate having regard to the non-executive role of the Directors and the significant outsourcing of services by the Company to external providers.

Board succession planning

The Board considers it has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme is in place for all Director appointees. Any proposals for a new Director are discussed and approved by the Board.

The Board's succession planning policy seeks to ensure that the Board remains well balanced and that the Directors have a sufficient level of skills, knowledge and experience to meet the needs of the Company. The Directors are ever-cognisant of the need for the Board to have a balance of gender and other attributes, including the requirement to appoint a majority of non-UK resident Directors.

The Board's policy is that a Director of the Company, who subsequently becomes Chairman, should serve for no more than a total of 12 years.

Board diversity

The Board supports the recommendations of the Davies Report and notes the recommendations of the Parker review into ethnic diversity and the Hampton-Alexander review on gender balance in FTSE leadership. The Board supports the widening of its diversity, whilst ensuring the capabilities, experience and background of each member remain appropriate to the Company and continue to contribute to overall Board effectiveness.

The Board is currently 50% female, reducing to 40% on the retirement of Jill May on 2 December 2022. The diversity requirements announced by the FCA for premium-listed companies for accounting periods commencing after 1 April 2022 will be met by RICL in its accounting period commencing 1 July 2022.

Committees of the Board

The Board has established an Audit and Risk Committee and a Management Engagement Committee and approved their terms of reference, copies of which can be obtained from the Company Secretary upon request and on the Company's website at ruffer.co.uk/ric.

The table on page 52 sets out the number of Committee meetings held during the year ended 30 June 2022 and the number of such meetings attended by each Committee member.

Audit and Risk Committee

The Company has established an Audit and Risk Committee, with formally delegated duties and responsibilities within written terms of reference. The Audit and Risk Committee is comprised of the entire Board and has been chaired by David Staples since 1 July 2018. The Audit and Risk Committee meets formally at least three times a year and each meeting is attended by the Auditor and Administrator.

A report of the Audit and Risk Committee detailing responsibilities and activities is presented on pages 63 to 68.

Management Engagement Committee

The Company has established a Management Engagement Committee, with formally delegated duties and responsibilities within written terms of reference. The Management Engagement Committee is comprised of the entire Board, with Jill May appointed as Chairman. The Management Engagement Committee meets annually in June each year and holds ad hoc meetings to address any arising issues as required.

The principal duties of the Committee are to review the performance of and contractual arrangements with the Investment Manager and all other service providers to the Company (other than the Auditor).

During the year the Committee has reviewed the services provided by its service providers, and recommended that the continuing appointments of the Company's Investment Manager and other service providers was in the best interests of the Company. The last meeting was held on 16 June 2022.

A report of the Management Engagement Committee detailing responsibilities and activities during the year is presented on pages 69 and 70.

Nomination Committee

The Board does not have a separate Nomination Committee, the functions of which are fulfilled by the Board. Any proposals for a new Director are discussed and approved by the Board. The Board will determine whether an external search consultancy or open advertising is used in the appointments of future non-executive Directors.

Remuneration Committee

In view of its non-executive and independent nature, the Board considers that it is not appropriate to have a Remuneration Committee as anticipated by the UK Code because this function is carried out as part of the regular Board business. A Remuneration report prepared by the Board is on pages 60 to 62.

Internal control

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit and Risk Committee at its meetings and annually by the Board.

The Board is responsible for establishing and maintaining the Company's system of internal controls and for maintaining and reviewing its effectiveness. The system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives and as such can only provide reasonable, but not absolute, assurance against material misstatement or loss. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information for publication is reliable. The Board uses a formal risk assessment matrix to identify and monitor business risks.

The Board has contractually delegated to external parties various functions as listed below. The duties of investment management, administration and custody are segregated. Each of the contracts entered into with the parties was entered into after full and proper consideration by the Board of the quality and cost of services offered, including the control systems in operation as far as they relate to the affairs of the Company.

The Board considers on an ongoing basis the process for identifying, evaluating and managing any significant risks faced by the Company. The process includes reviewing reports from the Company Secretary on risk control and compliance, in conjunction with the Investment Manager's regular reports which cover investment performance.

Investment and portfolio risk management is provided by Ruffer AIFM Limited, a company authorised by the FCA.

Administration, accounting, registrar, and company secretarial duties are performed by Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services Limited), a company licensed and regulated by the Guernsey Financial Services Commission.

CREST agency functions are performed by Computershare Investor Services (Jersey) Limited, a company licensed and regulated by the Jersey Financial Services Commission.

Depositary services performed by Northern Trust (Guernsey) Limited, a company licensed and regulated by the Guernsey Financial Services Commission.

Custodial services are provided by Northern Trust (Guernsey) Limited, a company licensed and regulated by the Guernsey Financial Services Commission.

Sponsorship and brokering services are provided by Investec Bank plc (Investec), a firm which is authorised and regulated by the FCA.

The Board reviews regularly the performance of the service companies. The Auditor is reviewed by the Audit Committee and the other service providers by the Management Engagement Committee (MEC) as described in the MEC report on pages 69 and 70.

The Board meets formally with the Investment Manager quarterly to review the performance of the investments in the light of the Company's investment objectives, and the Investment Manager's position against its peers. The Board also conducts an annual visit to the offices of Ruffer LLP to meet with certain of the senior executives in the firm and to review such matters as its internal control procedures; Ruffer's business, product, marketing and personnel strategies, so far as they affect the Company; portfolio risk analysis; integration of ESG into portfolio construction; and cyber vulnerability. This visit took place during the financial year on 4 October 2021 and again more recently on 28 September 2022.

The Board receives and reviews quarterly reports from the Investment Manager, the AIFM and the Administrator. In May 2021, the Audit and Risk Committee conducted a review of the internal controls of the Administrator, which was reported to the Board in June 2021. This included meeting with key staff from each relevant department and confirmation from the Administrator of its capability under its ISAE 3402 Type II audit report, as further disclosed in the report of the Audit and Risk Committee on page 67. The Management Engagement Committee conducted an annual review of all key service providers in June 2022, which was communicated to the Board, and included a detailed assessment of their performance along with completion of a questionnaires by each service provider regarding key areas including their control environment, business continuity and the impact of covid-19, cyber security arrangements and response to ESG, as further disclosed in the Management Engagement Committee report on pages 69 and 70.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Investment Manager and Administrator which have their own internal compliance and risk assessment functions. As such, an internal audit function specific to the Company is therefore considered unnecessary, as explained on page 67.

Principal risks and uncertainties

Principal risks and uncertainties are disclosed on pages 16 and 17.

Anti-bribery and corruption

The Board acknowledges that the Company's international operations may give rise to possible claims of bribery and corruption. In consideration of The Bribery Act 2010, enacted in the UK, at the date of this report the Board had conducted a review of the perceived risks to the Company arising from bribery and corruption to identify aspects of business which may be improved to mitigate such risks. The Board has adopted a zero tolerance policy towards bribery and has reiterated its commitment to carry out business fairly, honestly and openly.

Criminal Finances Act

The Board has a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion and will not work with any service provider who does not demonstrate the same commitment. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own staff or any associated persons.

UK Modern Slavery Act

The Board acknowledges the requirement to provide information about human rights in accordance with the UK Modern Slavery Act. The Board conducts the business of the Company ethically and with integrity, and has a zero tolerance policy towards modern slavery in all its forms. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no further disclosures to be made in respect of employees and human rights.

Directors' remuneration report

Introduction

An ordinary resolution for the approval of the annual remuneration report was passed by shareholders at the AGM held on 3 December 2021.

Remuneration policy

All Directors are non-executive and a Remuneration Committee has not been established. The Board as a whole considers matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The Chairs of the Board and the Audit and Risk Committee and the SID are paid a higher fee in recognition of their additional responsibilities. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. Directors hold office until they retire or cease to be a director in accordance with the Articles of Incorporation or by operation of law.

Remuneration

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £300,000 (30 June 2021: £200,000) per annum.

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. The annual fees payable to each Director as at 30 June 2022 and 30 June 2021 are shown below –

	30 June 22 £	30 June 21 £
Christopher Russell (Chairman)	48,800	44,550
Jill May (Senior Independent Director and Chair of Management Engagement Committee)	36,850	33,650
David Staples (Chair of Audit and Risk Committee)	39,700	36,250
Shelagh Mason	34,500	31,500
Nicholas Pink	34,500	31,500
	194,350	177,450

During the year ended 30 June 2022, Directors' fees of £185,900 (30 June 2021: £178,702) were charged to the Company of which £nil remained payable at the year end (30 June 2021: £nil). No additional remuneration has been paid to Directors outside their normal fees and expenses.

In February 2021, the Board reviewed the Directors' fees against the Trust Associates NED fee review and noted that the fees paid to the Directors were below the average for all UK investment companies with market capitalisations over £500 million, and well below the equivalent fees paid to directors of Channel Island companies. It was noted that during the Board recruitment process conducted in the previous calendar year, at least one potential candidate had declined to participate due to the level of directors' fees being insufficient by market standards.

As a result, the Board resolved in December 2021 that the basic fee be increased by 9.5% in nominal terms, from £31,500 to £34,500 per annum, effective 1 January 2022 (2021: 6.8% in nominal terms effective 1 January 2021), with a view to further gradual increases towards the industry average. Additional fees were also increased as follows –

- serving as Chairman: fee increased from £13,050 to £14,300
- serving as Chair of the Audit Committee: fee increased from £4,750 to £5,200
- serving as Senior Independent Director and Chair of Management Engagement Committee: fee increased from £2,150 to £2,350.

At an EGM held on 21 April 2022, Shareholders voted overwhelmingly in favour of a resolution to increase the cap on the ordinary remuneration of the Directors from £200,000 to £300,000 per annum.

In June 2022, the Board resolved that, effective 1 July 2022, the basic fee be further increased from £34,500 to £39,000. Additional fees were also increased as follows –

– serving as Chairman: fee increased from £14,300 to £19,000
– serving as Chair of the Audit Committee: fee increased from £5,200 to £9,000
– serving as Senior Independent Director and Chair of Management Engagement Committee: fee increased from £2,350 to £2,500.

Audit and Risk Committee report

The Audit and Risk Committee presents here its report for the year ended 30 June 2022, setting out the responsibilities of the Committee and its key activities for the year from 1 July 2021 to 30 June 2022. As in previous years, the Committee has reviewed the Company's financial reporting, the independence and effectiveness of the Auditor and the internal control and risk management systems of service providers. In order to assist the Committee in discharging these responsibilities, regular reports are received from the Investment Manager, Administrator and Auditor.

Members of the Committee will continue to be available at each AGM to respond to any shareholder questions on its activities and reports.

Responsibilities

The Committee reviews and recommends to the Board the Financial Statements of the Company and is the forum through which the Auditor reports to the Board of Directors.

The role of the Committee includes

- monitoring and reporting to the Board on such matters as the integrity of the Financial Statements of the Company and any formal announcements relating to the Company's financial performance, and any significant financial reporting judgements
- providing advice to the Board on whether the Financial Statements of the Company are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance
- considering the appropriateness of accounting policies and practices including critical estimates and judgement areas
- reviewing and considering the AIC Code, the UK Code and FRC Guidance on Audit Committees
- monitoring and reviewing the quality, effectiveness and independence of the Auditor and the effectiveness of the audit process, considering and making recommendations to the Board on the appointment, re-appointment, replacement and remuneration of the Company's Auditor
- developing and implementing policy on the engagement of the Auditor to provide non-audit services
- reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery and corruption

- monitoring and reviewing the internal control and risk management systems of the Company and its service providers
- considering the need for an internal audit function and
- reporting to the Board on how it has discharged its responsibilities.

The Committee's full terms of reference are available on the Company's website, ruffer.co.uk/ric.

Key activities

The following sections discuss the assessments made by the Committee during the year.

Financial reporting – the Committee's review of the Unaudited Half Yearly Financial Report, Unaudited Investment Manager's Year End Review and the Annual Report and Audited Financial Statements focused on the significant risk relating to the valuation and ownership of investments. The investments comprise the majority of the Company's NAV and hence form part of the Key Performance Indicator (KPI) NAV per share. Hence any significant error in valuation or misstatement of holdings could materially impact the NAV and hence the reported NAV per share of the Company.

Valuation of investments – the Company's investments had a fair value of £852,380,832 as at 30 June 2022 (30 June 2021: £516,760,500) and represented the majority of the net assets of the Company. The investments are predominantly listed except for investments in unlisted investment funds.

The valuation of investments as at 30 June 2022 is in accordance with the requirements of IFRS. The Committee considered the fair value of the investments held by the Company as at 30 June 2022 to be reasonable based on information provided by the Investment Manager and Administrator. All prices are confirmed to independent pricing sources as at 30 June 2022 by the Administrator and are subject to a review process at the Administrator and oversight at the Investment Manager. We also note the work of the Auditor on these balances as set out in their report on pages 75 and 76.

The Committee considered the classification of the Company's investments within the levels of the fair value hierarchy in accordance with the requirements of IFRS 9, most notably the classification of the Company's holding in the Ruffer Illiquid Multi-Strategies Fund, which represents approximately 10.7% of the Company's NAV. The Committee was comfortable that this investment should be classified within Level 2 of the hierarchy, as the Investment Manager creates a sufficient market for the shares.

Ownership of investments – the Company's investment holdings are reconciled to independent reports from the Custodian by the Administrator with any discrepancies being fully investigated and reconciled by the Administrator. The Committee satisfied itself, based on reviews of information provided by the Custodian, Depositary and Administrator, that the holdings of investments are correctly recorded.

Investment income and realised and unrealised gains and losses on investments – the Committee has considered the risk that these items may be materially mis-stated, which could impact the reporting of the performance of the Company in any accounting period. The Committee is satisfied that the controls around the recording and calculations for these items and the reconciliation of cash and investment holdings are sufficiently robust to satisfactorily mitigate this risk.

Risk management – the Committee considered the process for managing the risk of the Company and its service providers. Risk management procedures for the Company, as detailed in the Company's risk assessment matrix, were reviewed and approved by the Committee. Regular reports are received from the Investment Manager and Administrator on the Company's risk evaluation process and reviews. Refer to the strategic report on pages 16 and 17 for details on principal risks and uncertainties and their management. Financial risks faced by the Company are discussed in note 19 of the Financial Statements on pages 106 to 119.

The Company's AIFM, Ruffer AIFM Limited has responsibilities in law in relation to risk management under the AIFMD.

Fraud, bribery and corruption – the Committee continues to monitor the fraud, bribery and corruption policies of the Company. The Board receives a confirmation from all service providers that there have been no instances of fraud, bribery or corruption.

The Auditor – in March 2015 the Board entered into a competitive audit tender process and Deloitte LLP was appointed as the Company's Auditor. The Company intends to conduct a tender process at least every 10 years and to rotate auditors at least every 20 years, as recommended by the UK Statutory Auditors and Third Country Auditors Regulations 2016. Nicola Sarah Paul, the signing individual for Deloitte, has served in that role for three years.

Independence, objectivity and fees – the independence and objectivity of the Auditor is reviewed by the Committee which also reviews the terms under which the Auditor is appointed to perform non-audit services. The Committee has established pre-approval policies and procedures for the engagement of Deloitte LLP to provide audit, assurance and tax services. The Auditor may not provide a service which

– places them in a position to audit their own work

- creates a mutuality of interest
- results in the Auditor developing close relationships with service providers of the Company
- results in the Auditor functioning as a manager or employee of the Company or
- puts the Auditor in the role of advocate of the Company.

The Committee takes into account relevant ethical and regulatory guidance regarding the provision of non-audit services by the Auditor, and will report to the Board to identify any matters in respect of which it considers that action or improvement is needed, and to make recommendations as to the steps to be taken. The Board maintains a non-audit services policy which is reviewed periodically and is available on the Company's website, ruffer.co.uk/ric.

The following table summarises the remuneration paid to the Auditor for audit and non-audit services during the years ended 30 June 2022 and 2021.

	30 June 22 £	30 June 21 £
Statutory audit	50,000	37,500
Total audit fees	50,000	37,500
Interim review	9,000	8,500
Total non-audit related fees	9,000	8,500

No tax or other services were provided during the year.

Deloitte LLP also has safeguards in place to ensure objectivity and independence.

When considering the effectiveness and independence of the Auditor, and the effectiveness of the audit process, the Committee meets regularly with the Auditor to discuss the audit plan and the scope of the audit. The Committee also takes account of factors such as

- the audit plan presented to them before each audit
- the post audit report including variations from the original plan
- changes in audit personnel
- the Auditor's own internal procedures to identify threats to independence and
- feedback from both the Investment Manager and Administrator evaluating the performance of the team.

The Committee has examined the scope and results of the audit, its cost effectiveness and the independence and objectivity of the Auditor, with particular regard to non-audit fees, and is satisfied that an effective audit has been completed with diligence and professional scepticism, that the scope of the audit was appropriate and significant judgements have been challenged robustly. It also considers Deloitte LLP, as Auditor, to be independent of the Company.

Re-appointment of the Auditor – At the AGM held on 3 December 2021, Deloitte LLP was re-appointed as the Company's Auditor.

Internal control and risk management systems

The Committee discussed with the Auditor the risk of misstatement in the Financial Statements arising from the potential for the Company's key service providers, the Investment Manager and Administrator, to override controls.

At each quarterly Board meeting, compliance reports are provided by the Administrator, Company Secretary and Investment Manager. The Board also receives confirmation from the Administrator of its capability under its ISAE 3402 Type II audit report. No significant failings or weaknesses were identified in these reports.

During May 2021, members of the Committee visited the offices of the Administrator to conduct a review of their internal control procedures, a report on which was provided to the Board in June 2021. During the visit, the Committee met with key staff from the Administrator to discuss the internal controls in place within each of the departments which provides services to the Company including; company secretarial, compliance, administration/valuation and financial reporting. No significant issues were identified during the visit and the Committee confirmed that the Administrator continues to have effective systems in place to control the risk associated with the services that they are contracted to provide to the Company. The Committee has also reviewed the need for an internal audit function. The Committee is satisfied that the systems and procedures employed by the Investment Manager and the Administrator, including where relevant their internal audit functions, provide sufficient assurance that a sound system of internal control is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

For any questions on the activities of the Committee not addressed in the foregoing, members of the Committee will attend each AGM to respond to such questions.

In finalising the Financial Statements for recommendation to the Board for approval, the Committee has satisfied itself that the Financial Statements taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

David Staples

Chairman, Audit and Risk Committee

4 October 2022

Management Engagement Committee report

The Management Engagement Committee presents here its report for the year ended 30 June 2022, setting out the responsibilities of the Committee and its key activities for the year from 1 July 2021 to 30 June 2022. The Committee meets annually in June each year and holds ad hoc meetings to address any arising issues as required.

Responsibilities

The formally delegated duties and responsibilities of the Management Engagement Committee are set out in written terms of reference which are available from the Company Secretary upon request and published on the Company's website, ruffer.co.uk/ric. The Committee's terms of reference are reviewed on an annual basis.

The principal duties of the Management Engagement Committee are to review the performance of and contractual arrangements with the Investment Manager and all other key service providers to the Company, other than the Auditor which is reviewed by the Audit and Risk Committee. In addition, the Management Engagement Committee is involved in monitoring and reviewing the level of remuneration of the Investment Manager to ensure that it is appropriate, competitive and sufficient to incentivise the Investment Manager.

Key activities

The Management Engagement Committee conducts an annual review of the performance of, and contractual relationships with, the Company's key service providers, including the Investment Manager. To facilitate this review, the Company Secretary circulates two detailed questionnaires to each service provider: one relating to an assessment of the services provided during the year, any issues encountered and feedback on other service providers; and a second requesting details of the service provider's internal control systems, business continuity plans, impact of covid-19 on business operations, succession planning and any key staff changes, ESG policies and cyber security arrangements. In addition, qualitative feedback on the performance and operations of each service provider is obtained from each of the Directors, the Investment Manager, the Broker and the Company Secretary. The Company Secretary prepares a summary of responses received which is presented to the Management Engagement Committee for its review.

The last Management Engagement Committee meeting was held on 16 June 2022 and no material issues were identified as a result of the annual service provider review. Accordingly, the Management Engagement Committee recommended to the Board that the retention of the Company's service providers was in the best interests of the Company and its shareholders.

No material issues were identified during the Committee's review of the Investment Manager and the Board concluded that the Investment Manager had deep industry experience, an appropriate investment strategy for the investment objectives of the Company and that the continued appointment of the Investment Manager on the terms agreed, including management fees, was in the best interests of the Company and its shareholders.

Jill May

Chairman, Management Engagement Committee

4 October 2022

Report of the depositary to the shareholders of Ruffer Investment Company Limited

Northern Trust (Guernsey) Limited has been appointed as Depositary to Ruffer Investment Company Limited (the 'Company') in accordance with the requirements of Article 36 and Articles 21(7), (8) and (9) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the 'AIFM Directive').

We have enquired into the conduct of Ruffer AIFM Limited (the 'AIFM') and the Company for the year ended 30 June 2022, in our capacity as Depositary to the Company.

This report including the review provided below has been prepared for and solely for the Shareholders in the Company. We do not, in giving this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Our obligations as Depositary are stipulated in the relevant provisions of the AIFM Directive and the relevant sections of Commission Delegated Regulation (EU) No 231/2013 (collectively the 'AIFMD legislation') and the Authorised Closed-ended Investment Schemes Rules and Guidance 2021.

Amongst these obligations is the requirement to enquire into the conduct of the AIFM and the Company and their delegates in each annual accounting period.

Our report shall state whether, in our view, the Company has been managed in that period in accordance with the AIFMD legislation. It is the overall responsibility of the AIFM and the Company to comply with these provisions. If the AIFM, the Company or their delegates have not so complied, we as the Depositary will state why this is the case and outline the steps which we have taken to rectify the situation.

The Depositary and its affiliates are or may be involved in other financial and professional activities which may on occasion cause a conflict of interest with its roles with respect to the Company. The Depositary will take reasonable care to ensure that the performance of its duties will not be impaired by any such involvement and that any conflicts which may arise will be resolved fairly and any transactions between the Depositary and its affiliates and the Company shall be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

Basis of Depositary Review

The Depositary conducts such reviews as it, in its reasonable discretion, considers necessary in order to comply with its obligations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the constitutional documentation and the appropriate regulations. Such reviews vary based on the type of Fund, the assets in which a Fund invests and the processes used, or experts required, in order to value such assets.

Review

In our view, the Company has been managed during the period, in all material respects

i in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documents; and by the AIFMD legislation; and

ii otherwise in accordance with the provisions of the constitutional documents; and the AIFMD legislation.

Northern Trust (Guernsey) Limited

4 October 2022

Independent auditor's report to the Members of Ruffer Investment Company Limited

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Ruffer Investment Company Limited (the 'Company') –

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise –

- the Statement of Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Equity;
- the Statement of Cash Flows;
- the related notes 1 to 21; and
- the Portfolio statement.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by European Union.

2 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Company for the year are disclosed in note 9 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3 Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year (and which was consistent with the prior year) was – – Valuation and ownership of investments
Materiality	The materiality that we used in the current year was £9.527m which was determined on the basis of 1% of Net Asset Value (NAV) of the Company as at 30 June 2022.
Scoping	The Company was audited as a single component. Balances were scoped in for testing based on our assessment of risk of material misstatement. As part of our risk assessment process, we considered the impact of relevant controls implemented at the service provider.
Significant changes in our approach	There are no significant changes in our audit approach in the current year audit.

4 Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included –

– evaluating the judgements and decisions with regards to key forecasting assumptions used in the going concern assessment;

– assessing reasonableness of assumptions on cash flow forecasts for the next three years, used in supporting the use of the going concern assumption; and

– assessing the relevant disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5 Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Valuation and ownership of investments

Key audit matter description

Included in the Company's Statement of Financial Position as at 30 June 2022 are investments with a fair value of £852 million (2021: £517 million) as disclosed in Note 10 to the financial statements. The Company's portfolio primarily comprises equity investments, government bonds and investment funds. Investments are key area of focus to the users of the financial statements given that they are the most quantitatively significant balance and main driver of the Company's performance and Net Asset Value. As explained in Note 2 (e), the Company's accounting policy is to measure its investment at fair value through profit and loss. Refer to consideration made by the audit committee on valuation of investments discussed on page 64.

The identified risks were –

- There might be errors or fraudulent manipulation of valuation in order to report favourable key performance indicators;
- Inappropriate exchange rates might be used to convert foreign currency denominated investment to the Company's reporting currency;
- Trades made immediately before year-end might be excluded from the valuation or conversely, trades made immediately after the year end might be included in the valuation in error; and

	– The Company might not have legal title to the investment held at year end.
How the scope of our audit responded to the key audit matter	To respond to the key audit matter, we have performed the following audit procedures – – Obtained an understanding and tested relevant controls around the valuation and ownership of investments and NAV preparation process by the administrator; – Agreed investments held as at year end to independently obtained custodian confirmation; – Assessed the reasonableness of exchange rates used in converting investments denominated in currencies other than the Pound Sterling (GBP) by comparing rates used to independent sources; – Performed detailed testing on purchases and sales made around year end to assess whether transactions had been recorded in the correct period; – Performed detailed testing through inspection of custodian trade report for the year to assess the accuracy of investment purchases and sales transactions; and – Agreed the unit prices of all investments to independent pricing sources.
Key observations	Based on the results of procedures, we concluded that – – the prices applied by management in the valuation of investments are reasonable; – investment denominated in currencies other that Pound Sterling (GBP) have been appropriately converted at appropriate spot rate at year end; – the Company had proper legal title to the investments held at year end; and – the investment transactions have been accounted for in the correct accounting period.

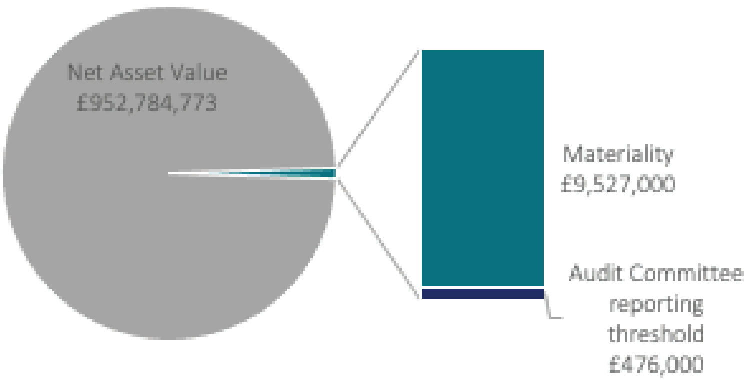
6 Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows –

Materiality	£9,527,000 (2021: £5,758,000)
Basis for determining materiality	1% (2021: 1%) of Net Asset Value
Rationale for the benchmark applied	Net Asset Value is the most appropriate benchmark as it is considered one of the principal drivers for members of the Company in assessing financial performance and represents total shareholders' interest.



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2022 audit (2021: 70%). In determining performance materiality, we considered the following factors –

a. the quality of the control environment and whether we were able to rely on controls,

b. our risk assessment, including our assessment of the Company's overall control environment; and

c. our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £476,000 (2021: £287,900), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7 An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the Company and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2 Our consideration of the control environment

The Company is administered by a third party Guernsey regulated service provider. As part of our audit, we obtained an understanding and tested relevant controls around the valuation and ownership of investments and NAV preparation process established at the service provider. We inspected weekly and monthly NAV checklists and accompanying reports on a sample basis.

8 Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9 Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

10 Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11 Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following –

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies;
- results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to –
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including our financial instruments specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation and ownership of investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Guernsey) Law, 2008, the Listing Rules and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

11.2 Audit response to risks identified

As a result of performing the above, we identified valuation and ownership of investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following –

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the Board and the Audit Committee and reviewing correspondence with Guernsey Financial Services Commission; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including financial instrument specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12 Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit –

– the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 17;
– the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 17 and 18;
– the Directors' statement on fair, balanced and understandable Annual Financial Report set out on pages 44 and 45;
– the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 16;
– the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 57 and 58; and
– the section describing the work of the Audit Committee set out on pages 55 and 56.

13 Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion –

– we have not received all the information and explanations we require for our audit; or
– proper accounting records have not been kept; or
– the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

14 Other matters which we are required to address

14.1 Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board on 19 March 2015 to audit the financial statements for the year ending 30 June 2015 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 8 years, covering the years ending 30 June 2015 to 30 June 2022.

14.2 Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

15 Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Sarah Paul FCA
For and on behalf of Deloitte LLP
Recognised Auditor
St Peter Port, Guernsey

4 October 2022

Statement of financial position as at 30 June 2022

	Notes	30 June 22 £	30 June 21 £
Assets			
Non-current assets			
Investments at fair value through profit or loss	10	852,380,832	516,760,500
Current assets			
Cash and cash equivalents		91,882,581	55,833,380
Trade and other receivables	11	29,702,666	6,011,217
Derivative financial assets	18, 19	989,682	270,023
Total current assets		122,574,929	62,114,620
Total assets		974,955,761	578,875,120
Liabilities			
Current liabilities			
Trade and other payables	12	21,667,315	595,622
Derivative financial liabilities	18, 19	503,673	2,428,165
Total liabilities		22,170,988	3,023,787
Net assets		952,784,773	575,851,333
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital	13	608,654,303	253,904,821
Capital reserve		240,914,299	220,493,564
Retained revenue reserve		8,166,612	6,403,389
Other reserves		95,049,559	95,049,559
Total equity		952,784,773	575,851,333
Net assets attributable to holders of redeemable participating preference shares (per share)	14	2.9498	2.8129

The Financial Statements on pages 84 to 122 were approved on 4 October 2022 and signed on behalf of the Board of Directors by

David Staples
Director

The notes on pages 88 to 122 form an integral part of these Financial Statements.

Statement of comprehensive income for the year ended 30 June 2022

	Notes	Revenue £	Capital £	Year ended 30 June 22 £	Year ended 30 June 21 £
Fixed interest income		1,524,401	–	1,524,401	1,234,890
Dividend income		9,375,207	–	9,375,207	5,971,289
Net changes in fair value of financial assets at fair value through profit or loss	6	–	42,910,229	42,910,229	50,578,046
Other gains/(losses)	7	–	(15,411,877)	(15,411,877)	15,755,244
Total income		10,899,608	27,498,352	38,397,960	73,539,469
Management fees	8	–	(7,077,617)	(7,077,617)	(4,693,521)
Expenses	9	(853,105)	–	(853,105)	(632,121)
Total expenses		(853,105)	(7,077,617)	(7,930,722)	(5,325,642)
Profit for the year before tax		10,046,503	20,420,735	30,467,238	68,213,827
Withholding tax		(856,738)	–	(856,738)	(424,880)
Profit for the year after tax		9,189,765	20,420,735	29,610,500	67,788,947
Total comprehensive income for the year		9,189,765	20,420,735	29,610,500	67,788,947
Basic and diluted earnings per share		3.67p	8.16p	11.83p	36.43p

The 'Total' columns of this statement represent the Company's condensed statement of comprehensive income, prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The revenue and capital return columns are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations.

Basic and diluted earnings per share are calculated by dividing the profit after taxation by the weighted average number of redeemable participating preference shares in issue during the year. The weighted average number of shares for the year was 250,324,202 (30 June 2021: 186,055,211). As there are no items which would cause a dilution to occur, the basic and diluted earnings per share are the same.

The notes on pages 88 to 122 form an integral part of these Financial Statements.

Statement of changes in equity for the year ended 30 June 2022

	Notes	Share capital £	Capital reserve £	Retained revenue reserve* £	Other Reserves* £	Total year ended 30 June 22 £
Balance at 1 July 2021		253,904,821	220,493,564	6,403,389	95,049,559	575,851,333
Total comprehensive income for the year		–	20,420,735	9,189,765	–	29,610,500
Transactions with shareholders						
Share capital issued	13	357,810,233	–	–	–	357,810,233
Share issue costs	13	(3,060,751)	–	–	–	(3,060,751)
Distributions during the year	5	–	–	(7,426,542)	–	(7,426,542)
Balance at 30 June 2022		608,654,303	240,914,299	8,166,612	95,049,559	952,784,773

	Notes	Share capital £	Capital reserve £	Retained revenue reserve* £	Other Reserves* £	Total year ended 30 June 21 £
Balance at 1 July 2020		186,459,986	158,853,795	3,749,041	95,049,559	444,112,381
Total comprehensive income for the year		–	61,639,769	6,149,178	–	67,788,947
Transactions with shareholders						
Share capital issued	13	67,934,025	–	–	–	67,934,025
Share issue costs	13	(489,190)	–	–	–	(489,190)
Distributions during the year	5	–	–	(3,494,830)	–	(3,494,830)
Balance at 30 June 2021		253,904,821	220,493,564	6,403,389	95,049,559	575,851,333

* Under The Companies (Guernsey) Law, 2008, the Company can distribute dividends from share capital and reserves, subject to satisfying a solvency test. However, the Company's dividend policy is that dividends will only be paid from accumulated revenue reserves. In order to provide clearer information relating to reserves available for distribution, the Company has separately identified this reserve in these financial statements as a 'Retained revenue reserve' in the Statement of Financial Position and the Statement of Changes in Equity. 'Other reserves' represents amounts converted from share premium in 2004 and 2008.

The notes on pages 88 to 122 form an integral part of these Financial Statements.

Statement of cash flows for the year ended 30 June 2022

	Notes	Year ended 30 June 22 £	Year ended 30 June 21 £
Cash flows from operating activities			
Profit for the year after tax		29,610,500	67,788,947
Adjustments for			
Net realised gains on investments	6	(40,408,074)	(38,668,618)
Unrealised gains on investments	6	(2,502,155)	(11,909,428)
Realised losses/(gains) on forward foreign exchange contracts	7	17,727,792	(14,377,597)
Unrealised gains on forward foreign exchange contracts	7	(2,644,151)	(1,383,577)
Foreign exchange losses on cash and cash equivalents	7	328,236	5,930
(Increase)/decrease in trade and other receivables (excluding amounts due in respect of sales of investments)		(628,286)	105,021
Increase in trade and other payables (excluding amounts due in respect of purchases of investments)		282,338	108,137
		1,766,200	1,668,815
Net cash (paid)/received on closure of forward foreign exchange contracts	7	(17,727,792)	14,377,597
Purchases of investments		(810,785,573)	(404,105,845)
Sales of investments		514,371,720	338,567,277
Net cash used in operating activities		(312,375,445)	(49,492,156)
Cash flow from financing activities			
Dividends paid	5	(7,426,542)	(3,494,830)
Proceeds from issue of redeemable participating preference shares		359,096,108	66,648,150
Share issue costs		(2,916,684)	(489,190)
Net cash generated from financing activities		348,752,882	62,664,130
Net increase in cash and cash equivalents		36,377,437	13,171,974
Cash and cash equivalents at the beginning of the year		55,833,380	42,667,336
Foreign exchange losses on cash and cash equivalents	7	(328,236)	(5,930)
Cash and cash equivalents at the end of the year		91,882,581	55,833,380

The notes on pages 88 to 122 form an integral part of these Financial Statements.

Notes to the Financial Statements
for the year ended 30 June 2022

1 The Company

The Company was incorporated with limited liability in Guernsey on 1 June 2004 as a company limited by shares and as an authorised closed-ended investment company. As an existing closed-ended fund the Company is deemed to be granted an authorised declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules and Guidance 2021. The Company is listed on the Main Market of the London Stock Exchange (LSE) and was admitted to the premium segment of the Official List of the UK Listing Authority on 20 December 2005.

The Company's registered office is shown on page 129 and details of its investment objective and strategy are shown on pages 12 and 13.

2 Significant accounting policies

a Statement of compliance

The Financial Statements of the Company for the year ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Listing Rules of the London Stock Exchange in compliance with the Companies (Guernsey) Law, 2008.

b Basis of preparation

The Financial Statements are prepared in pound sterling (£), which is the Company's functional and presentation currency. The Financial Statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

c Going concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements since the assets of the Company consist mainly of cash and cash equivalents and securities which are readily realisable. The Directors also note that overall, due to the nature of the Company's portfolio, which comprises both equities and other more defensive assets, it has not been affected significantly in terms of value or cashflows by the effects of the covid-19 pandemic or the Russian invasion of Ukraine. Accordingly, in the Directors' opinion, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Matters relating to the going concern status of the Company are also discussed in the long-term viability statement on pages 17 and 18.

d New accounting standards and amendments effective and adopted

In August 2020, the IASB completed its 'Replacement issues in the context of the IBOR reform' project, which amended certain existing standards effective for periods commencing on or after 1 January 2021.

In the opinion of the Directors, the adoption of these new and amended standards has had no material impact on the Financial Statements of the Company.

Standards and amendments in issue but not yet effective

The following relevant standards, which have not been applied in these Financial Statements, were in issue at the reporting date but not yet effective –

- IAS 1 (amended), 'Presentation of Financial Statements' – (effective for accounting periods commencing on or after 1 January 2023)
- IAS 8 (amended), 'Accounting Policies, Changes in Accounting Estimates and Errors' – (effective for accounting periods commencing on or after 1 January 2023)
- IAS 37 (amended), 'Provisions, Contingent Liabilities and Contingent Assets' – (effective for accounting periods commencing on or after 1 January 2022)

The amendments to IAS 1 were published in January 2020 and February 2021 and relate to the classification of liabilities and disclosure of accounting policies respectively.

The amendments to IAS 8 were published in February 2021 and clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The amendments to IAS 37 were published in May 2020 and relate to the costs to include when assessing whether a contract is onerous.

In addition, the IASB has issued the following publication –

'Annual Improvements to IFRS Standards 2018-2020', published in May 2020, which has amended certain existing standards, effective for accounting periods commencing on or after 1 January 2022.

The changes arising from the amendments to these standards are either presentational and/or minor in nature. It is therefore anticipated that the adoption of these amended standards will have no material impact on the Financial Statements of the Company.

e Financial instruments

i Classification

Financial assets are classified into the following categories: financial assets at fair value through profit or loss and financial assets at amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets at fair value through profit or loss comprise investment assets and derivative assets in the form of forward foreign currency exchange contracts.

The Company's financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Company's financial liabilities at fair value through profit or loss comprise derivative liabilities in the form of forward foreign currency exchange contracts.

The Company's financial liabilities at amortised cost comprise trade and other payables.

ii Investments at fair value through profit or loss ('investments')

Recognition

Investments are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Purchases and sales of investments are recognised on the trade date (the date on which the Company commits to purchase or sell the investment). Investments purchased are initially recorded at fair value, being the consideration given. Transaction or other dealing costs associated with purchases and sales of investments are recognised through profit or loss in the Statement of Comprehensive Income.

Measurement

Subsequent to initial recognition, investments are measured at fair value. Gains and losses arising from changes in the fair value of investments and gains and losses on investments that are sold are recognised through profit or loss in the Statement of Comprehensive Income within net changes in fair value of financial assets at fair value through profit or loss.

Investments traded in active markets are valued at the latest available bid prices ruling at midnight on the reporting date. The Directors are of the opinion that the bid-market prices are the best estimate of fair value. Investments consist of listed or quoted equities or equity-related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations, and investment in funds.

Shares in some investment funds are not listed on an actively traded exchange and these are valued on the reporting date at the latest NAV from the administrator of the respective investment funds as the most recent price is the best estimate of the amount for which holdings could have been disposed of at the reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses arising from changes in the fair value of financial assets/(liabilities) are shown as net gains or losses on financial assets through profit or loss (see note 10) and recognised in the Statement of Comprehensive Income in capital in the period in which they arise.

Realised gains and losses arising on disposal of investments are calculated by reference to the proceeds received on disposal and the average cost attributable to those investments, and are recognised in the Statement of Comprehensive Income in capital. Unrealised gains and losses on investments are recognised in the Statement of Comprehensive Income in capital.

iii Derivatives

Forward foreign currency contracts are treated as derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently remeasured at their fair value. Fair value is determined by rates in active currency markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss on remeasurement to fair value is recognised immediately through profit or loss in the Statement of Comprehensive Income within other gains in the period in which they arise.

iv Financial instruments at amortised cost

Trade and other receivables

Trade and other receivables are amounts due in the ordinary course of business and are classified as current assets if collection is expected in one year or less. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, such impairment to be determined using the simplified expected credit losses approach in accordance with IFRS 9.

At each reporting date, the Company measures the loss allowance on its trade and other receivables at an amount equal to the lifetime expected credit losses. Expected credit losses are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the financial asset, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less and bank overdrafts.

Trade and other payables

Trade and other payables are obligations to pay for services that have been acquired in the ordinary course of business and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value plus any directly attributable incremental costs of acquisition or issue and subsequently measured at amortised cost using the effective interest rate method.

v Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise assets and settle the liabilities simultaneously.

vi Derecognition of financial instruments

A financial asset is derecognised when: (a) the rights to receive cash flows from the asset have expired, (b) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through arrangement'; or (c) the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

f Income

The Company has no income that falls within the scope of IFRS 15, therefore all income is recognised in accordance with IFRS 9. Dividend income from equity investments is recognised when the relevant investment is quoted ex-dividend, and is included gross of withholding tax. Interest income is recognised for all debt instruments using the effective interest rate method.

Dividend and interest income are recognised through profit or loss in the Statement of Comprehensive Income in revenue.

g Expenses

Expenses are accounted for on an accruals basis and are recognised through profit or loss in the Statement of Comprehensive Income in either capital or revenue reserves. The Company's management fees are allocated between capital and revenue in a ratio determined by the Board at its sole discretion. Currently 100% of the management fees are charged to capital. All other expenses of the Company are recognised in revenue.

Transaction costs on the purchases of investments are capitalised to the cost of the investments, and transaction costs on the sales of investments are recognised in gains/(losses) on disposal of investments.

h Translation of foreign currency

Functional and presentation currency

The Financial Statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its 'functional currency'). The Directors have considered the currency in which the original capital was raised, distributions will be made and ultimately the currency in which capital would be returned in a liquidation. On balance, the Directors believe that pound sterling best represents the functional currency of the Company. For the purpose of the Financial Statements, the results and financial position of the Company are expressed in pound sterling, which is the presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences on non-monetary items such as financial assets held at fair value through profit or loss are reported as part of net changes in fair value on financial assets through profit or loss in the Statement of Comprehensive Income.

i Share issue costs

Share issue costs are fully written off against the share capital account in the period of the share issue in accordance with Guernsey company law.

j Redeemable participating preference shares

As the Company's redeemable participating preference shares are redeemable at the sole option of the Directors, they are required to be classified as equity instruments. Please refer to note 13 for further details.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements

In the opinion of the Directors, there are no significant judgements made that have had a material effect on the Financial Statements.

Estimates

The Company records its investments and derivatives at fair value. Investments classified in level 1 of the fair value hierarchy (see note 19) are measured at fair value based on a quoted price in an active market. However the fair value of investments classified in level 2 and level 3 of the fair value hierarchy and of forward foreign exchange contracts are determined at the valuation date on the basis of estimates based on the reported NAVs of the investments and prevailing exchange rates respectively. The Directors consider that these valuations represent the best estimate of the fair values of the Company's level 2 and level 3 investments and derivatives. Details of the valuation methodologies applied in determining the fair value of the Company's investments are disclosed in note 19.

4 Taxation

The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £1,200 (30 June 2021: £1,200).

The amounts disclosed as taxation in the Statement of Comprehensive Income relate solely to withholding tax deducted at source on income.

5 Dividends to shareholders

Dividends, if any, are declared semi-annually, usually in October and March each year. The Company paid and declared the following dividends during the year –

	Year ended 30 June 22 £	Year ended 30 June 21 £
2021 Second interim dividend of 1.55p (2020: 0.95p)	3,424,158	1,717,491
2022 First interim dividend of 1.50p (2021: 0.95p)	4,002,384	1,777,339
	7,426,542	3,494,830

A second interim dividend of 1.25p per share in respect of the year ended 30 June 2022 was declared on 4 October 2022. The dividend is payable on 28 October 2022 to shareholders on record at 14 October 2022.

6 Net changes in financial assets at fair value through profit or loss

	Year ended 30 June 22 £	Year ended 30 June 21 £
Gains realised on investments sold during the year	56,835,062	46,640,900
Losses realised on investments sold during the year	(16,426,988)	(7,972,282)
Net realised gains on investments sold during the year (see note 10)	40,408,074	38,668,618
Movement in unrealised gains arising from changes in fair value	2,502,155	11,909,428
Net changes in fair value on financial assets at fair value through profit or loss	42,910,229	50,578,046

7 Other gains/(losses)

	Year ended 30 June 22 £	Year ended 30 June 21 £
Movement in unrealised gains on spot and forward foreign exchange currency contracts	2,644,151	1,383,577
Realised (losses)/gains on spot and forward foreign currency contracts	(17,727,792)	14,377,597
Other realised and unrealised foreign exchange losses	(328,236)	(5,930)
	(15,411,877)	15,755,244

8 Management fees

The management fees were charged to the capital reserves of the Company. The management fees for the year, including outstanding balances at end of the year, are detailed below.

	Year ended 30 June 22 £	Year ended 30 June 21 £
Management fees for the year	7,077,617	4,693,521
Management fees payable at the end of the year	750,697	502,316

The basis for calculating the management fees is set out in the General Information on page 127.

9 Expenses

	Year ended 30 June 22 £	Year ended 30 June 21 £
Administration fee*	206,167	174,428
Directors' fees	185,900	178,702
Custodian and Depositary fees*	135,383	84,922
Broker's fees	34,856	35,632
Audit fee	50,000	37,500
Auditor's remuneration for interim review	9,000	8,500
Legal and professional fees	79,717	32,500
Registrar fees	61,494	39,568
General expenses	90,588	40,369
	853,105	632,121

* The basis for calculating the Administration fees, Custodian and Depositary fees is set out in the General Information on pages 127 and 128.

All expenses were charged to revenue.

Ongoing charges ratio

The ongoing charges ratio (OCR) of an investment company is the annual percentage reduction in shareholder returns as a result of recurring operational expenditure. Ongoing charges are classified as those expenses which are likely to recur in the foreseeable future, and which relate to the operation of the company, excluding investment transaction costs, financing charges and gains or losses on investments. The OCR is calculated as the total ongoing charges for a period divided by the average net asset value over that period.

	Year ended 30 June 22 £	Year ended 30 June 21 £
Management fee (see note 8)	7,077,617	4,693,521
Other expenses (see above)	853,105	632,121
	7,930,722	5,325,642
Excluded expenses*	(58,300)	(18,794)
Total ongoing expenses	7,872,422	5,306,848
Average NAV**	735,348,568	493,858,553
Ongoing charges ratio (using AIC methodology)	1.07%	1.08%

* Current year excluded expenses principally comprises fees relating to board recruitment and evaluation. Prior year excluded expenses comprised fees relating to an EGM of the Company held during the year.

** Average NAV is calculated as the average of all the NAVs published on the LSE during the year

10 Investment assets at fair value through profit or loss

	Year ended 30 June 22 £	Year ended 30 June 21 £
Cost of investments at the start of the year	453,896,021	350,041,991
Acquisitions at cost during the year	831,430,861	399,705,845
Disposals during the year	(538,720,758)	(334,520,433)
Gains on disposals during the year	40,408,074	38,668,618
Cost of investments held at the end of the year	787,014,198	453,896,021
Fair value above cost	65,366,634	62,864,479
Fait value of investments held at the end of the year	852,380,832	516,760,500

11 Trade and other receivables

	30 June 22 £	30 June 21 £
Amounts receivable within one year		
Investment income receivable	469,656	271,410
Fixed interest income receivable	843,086	419,384
Sales of investments awaiting settlement	28,375,591	4,026,553
Proceeds receivable from the issue of redeemable participating preference shares	–	1,285,875
Other receivables	7,276	1,016
Prepayments	7,057	6,979
	29,702,666	6,011,217

The Directors consider that the carrying amounts of trade and other receivables approximate to their fair value. All receivables are short-term, with settlement due within a few days or months of the year end, as a result of which the Company's exposure to default risk is negligible and no credit losses are expected.

12 Trade and other payables

	30 June 22 £	30 June 21 £
Amounts falling due within one year		
Purchases of investments awaiting settlement	20,645,288	–
Management fees payable	750,697	502,316
Other payables	271,330	93,306
	21,667,315	595,622

The Directors consider that the carrying amounts of trade and other payables approximate to their fair value.

13 Share capital

	30 June 22 £	30 June 21 £
Authorised share capital		
Unlimited unclassified shares of 0.01p each	Unlimited	Unlimited
75,000,000 C shares of 0.1p each	75,000	75,000
	Unlimited	Unlimited

The Company's share capital comprises 75,000,000 C shares of 0.1p each, and an unlimited number of unclassified shares of 0.01p each.

	Number of shares		Share capital	
	Year ended 30 June 22 £	Year ended 30 June 21 £	Year ended 30 June 22 £	Year ended 30 June 21 £
Issued share capital				
Redeemable participating preference shares of 0.01p each				
Balance at the start of the year	204,718,416	180,788,416	253,904,821	186,459,986
Issued and fully paid during the year	118,284,348	23,930,000	357,810,233	67,934,025
Share issue costs	–	–	(3,060,751)	(489,190)
Balance at the end of the year	323,002,764	204,718,416	608,654,303	253,904,821

Unclassified shares

Unclassified shares can be issued as nominal shares or redeemable participating preference shares. Nominal shares can only be issued at par to the Administrator. The Administrator is obliged to subscribe for nominal shares for cash at par when redeemable participating preference shares are redeemed to ensure that funds are available to redeem the nominal amount paid up on redeemable participating preference shares. The holder or holders of nominal shares shall have the right to receive notice of and to attend general meetings of the Company but shall not be entitled to vote thereat. Nominal shares shall carry no right to dividends. In a winding-up, holders of nominal shares shall be entitled to be repaid an amount equal to their nominal value out of the assets of the Company.

The holders of fully paid redeemable participating preference shares are entitled to one vote at all meetings of the relevant class of shareholders. Participating preference shares carry the right to receive dividends or other distributions declared by the Company. In a winding-up, participating preference shareholders shall be entitled, firstly, to an amount equal to the nominal value of their shareholding, and, secondly, to a proportionate share of the balance of assets remaining in the Company after settlement of amounts due to nominal shareholders.

C shares

There were no C Shares in issue at year end (30 June 2021: Nil).

Block listing and additional shares issued

As at 30 June 2021, the Company had the ability to issue 13,695,682 redeemable participating preference shares under a block listing facility.

- On 27 September 2021, the Company announced that an application had been made for the block listing of an additional 6,350,000 redeemable participating preference shares, with an admission date of 28 September 2021.
- On 17 November 2021, the Company announced that an application had been made for the block listing of an additional 15,300,000 redeemable participating preference shares, with an admission date of 18 November 2021.
- On 18 January 2022, the Company announced that an application had been made for the block listing of an additional 9,653,159 redeemable participating preference shares, with an admission date of 19 January 2022.
- At an EGM held on 25 February 2022, a resolution was approved by shareholders empowering the Directors to issue an additional 26,312,563 redeemable participating preference shares – being 10% of the equity securities in issue at the latest practicable date prior to the EGM notice, excluding shares held in treasury for cash and pursuant to Article 7(2)(G) of the Articles – with an admission date of 1 March 2022. The rights under Article 7 (2) (B) were thereby excluded.
- On 21 April 2022, the Company announced that an application had been made for the block listing of an additional 6,688,723 redeemable participating preference shares, with an admission date of 22 April 2022.
- On 16 May 2022, the Company announced that an application had been made for the block listing of an additional 22,247,436 redeemable participating preference shares, with an admission date of 18 May 2022.

– At an EGM held on 16 June 2022, a resolution was approved by shareholders empowering the Directors to issue an additional 39,999,564 redeemable participating preference shares-being 10% of the equity securities in issue at the latest practicable date prior to the EGM notice, excluding shares held in treasury for cash and pursuant to Article 7(2)(G) of the Articles – with an admission date of 20 June 2022. The rights under Article 7 (2) (B) were thereby excluded.

During the year, 104,497,127 new redeemable participating preference shares were allotted or issued under the block listing facility (30 June 2021: 23,930,000 redeemable participating preference shares issued). As at 30 June 2022, the Company had the ability to issue 35,750,000 redeemable participating preference shares under the block listing facility.

In addition, on 2 December 2021, the Company announced the issue of 13,787,221 new redeemable participating preference shares by way of an Open Offer, Offer for Subscription and Intermediaries Offer as set out in the Company's prospectus published on 15 November 2021. These shares were admitted for trading on 6 December 2021.

New redeemable participating preference shares rank pari passu with the existing shares in issue.

Redeemable participating preference shares in issue

As at 30 June 2022, the Company had 323,002,764 (30 June 2021: 204,718,416) redeemable participating preference shares of 0.01p each in issue. Therefore, the total voting rights in the Company at 30 June 2022 were 323,002,764 (30 June 2021: 204,718,416). Subsequent to the year end, the Company has issued a further 21,465,000 redeemable participating preference shares at an average issue price of £2.9735.

Purchase of own shares by the Company

A special resolution was passed on 3 December 2021 which authorised the Company in accordance with The Companies (Guernsey) Law, 2008 to make purchases of its own shares as defined in that Ordinance of its Participating Shares of 0.01p each, provided that

a the maximum number of shares the Company can purchase is no more than 14.99% of the Company's issued share capital

b the minimum price (exclusive of expenses) which may be paid for a share is 0.01p, being the nominal value per share

c the maximum price (exclusive of expenses) which may be paid for the share is an amount equal to the higher of (i) 105% of the average of the middle market quotations for a share taken from the LSE Daily Official List for the 5 business days immediately preceding the day on which the Share is purchased and (ii) the price stipulated in Article 5(i) of the Buy-back and Stabilisation Regulation (No 2237 of 2003)

d purchases may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the LSE at a discount to the lower of the undiluted or diluted NAV

e the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2021 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time and

f the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make an acquisition of shares pursuant to any such contract.

14 NAV reconciliation

The Company announces its NAV, based on bid value, to the LSE after each weekly and month end valuation point. At the time of releasing the year end NAV to the LSE, not all 30 June prices of the Company's investments may be available. Adjustments are made to the NAV in the Financial Statements once these prices become available. The following is a reconciliation of the NAV and NAV per share attributable to redeemable participating preference shareholders as presented in these Financial Statements to the NAV and NAV per share reported to the LSE.

	30 June 22		30 June 21	
	NAV £	NAV per share £	NAV £	NAV per share £
NAV published on the LSE as at the year end	947,554,437	2.9336	575,913,008	2.8132
Adjustments to valuations	5,230,336	0.0162	(61,675)	(0.0003)
Net assets attributable to holders of redeemable participating preference shares	952,784,773	2.9498	575,851,333	2.8129

15 Contingent liabilities

There were no contingent liabilities as at 30 June 2022 (30 June 2021: £Nil).

16 Related party transactions

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company's activities, and are therefore regarded as related parties.

Investment Management Agreement

The Company is managed by Ruffer AIFM Ltd, a subsidiary of Ruffer LLP, a privately owned business registered in England and Wales as a limited liability partnership. The Company and the Investment Manager have entered into an Investment Management Agreement under which the Investment Manager has been given responsibility for the day-to-day discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors and in accordance with the investment restrictions in the Investment Management Agreement and the Articles.

The market value of LF Ruffer Gold is deducted from the NAV of the Company before the calculation of management fees on a monthly basis, as the Investment Manager separately earns a management fee from that entity. For additional information, refer to the Portfolio Statement on pages 123 to 126. Management fees for the year and payable at the end of the year are disclosed in note 8.

Directors' remuneration

Directors' remuneration is set out in the Directors' Remuneration Report on page 61 of the Financial Statements.

Shares held by related parties

As at 30 June 2022, Directors of the Company held the following numbers of shares beneficially –

Shares	30 June 22	30 June 21
Christopher Russell	125,000	100,000
David Staples*	500,000	80,000
Jill May	13,750	11,000
Shelagh Mason	14,698	11,325
Nicholas Pink	45,027	36,023
	698,475	238,348

* Includes 250,000 shares beneficially owned by a party related to Mr Staples.

As at 30 June 2022, Susie Farnon, who was appointed a Director of the Company on 1 September 2022, owned 16,200 shares in the Company.

As at 30 June 2022, Hamish Baillie, Investment Director of the Investment Manager owned 205,000 (30 June 2021: 205,000) shares in the Company. On 12 July 2022, the Company announced that Mr Baillie had stepped down from his role as co-manager of the Company.

As at 30 June 2022, Duncan MacInnes, Investment Manager of the Investment Manager owned 43,100 (30 June 2021: 43,100) shares in the Company.

As at 30 June 2022, Jonathan Ruffer, chairman of Ruffer LLP (the parent entity of the Company's Investment Manager), owned 499,335 (30 June 2021: 1,039,335) shares in the Company.

As at 30 June 2022, Ruffer LLP and other entities within the Ruffer Group held 3,066,348 (30 June 2021: 5,633,800) shares in the Company on behalf of its discretionary clients.

Investments in related funds

As at 30 June 2022, the Company held investments in four (30 June 2021: four) related investment funds valued at £217,280,776 (30 June 2021: £86,021,056). Refer to the Portfolio Statement on pages 123 to 126 for details.

17 Operating segment reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business in a single geographical area, Guernsey, being investment in a portfolio of equity, equity-related and debt assets, in order to provide a return for shareholders. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

Segment information is measured on the same basis as that used in the preparation of the Company's Financial Statements.

The Company receives no revenues from external customers. The Company holds no non-current assets in any geographical area other than Guernsey.

18 Financial instruments

In accordance with its investment objectives and policies, the Company holds financial instruments which at any one time may comprise the following

- securities held in accordance with the investment objectives and policies
- cash and short-term receivables and payables arising directly from operations

- derivative transactions including investment in forward foreign currency contracts and
- borrowing up to a maximum of 30% of the NAV of the Company.

Terms, conditions and accounting policies

The financial instruments held by the Company comprise principally internationally listed or quoted equities or equity related securities (including convertibles), and/or bonds which are issued by corporate issuers, supra-nationals or government organisations.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of its financial assets and liabilities are disclosed in note 2. The following table analyses the carrying amounts of the financial assets and liabilities by category as defined in IFRS 9.

The following are the categories of financial instruments held by the Company at the reporting date.

	30 June 22 fair value £	30 June 21 fair value £
Financial assets		
Financial assets at fair value through profit or loss		
Listed securities	806,498,698	473,671,640
Unlisted securities	–	–
UCITS funds	45,882,134	43,088,860
Derivative financial assets	989,682	270,023
Financial assets at amortised cost		
Cash and cash equivalents	91,882,581	55,833,380
Trade and other receivables (excluding prepayments)	29,695,609	6,004,238
	974,948,704	578,868,141

	30 June 22 fair value £	30 June 21 fair value £
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	503,673	2,428,165
Financial liabilities at amortised cost		
Trade and other payables	21,667,315	595,622
	22,170,988	3,023,787

19 Financial risk management and associated risks

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. These risks, which have applied throughout the year and the Investment Manager's policies for managing them are summarised as follows:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the market risks of changes in market prices, interest rates and foreign currency exchange rates.

Market price risk

Market price risk arises mainly from the uncertainty about future prices of the financial instruments held by the Company. It represents the potential loss the Company may suffer through holding market positions in the face of price movements.

The Company's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Placing and Offer for Subscription document mitigates the risk of excessive exposure to any particular type of security or issuer.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity, investment funds and bond price risks at the reporting date. The 20% reasonably possible price movement for equity-related securities and investment funds (30 June 2021: 20%) is based on the Investment

Manager's best estimates. The sensitivity rate for equity-related investments of 20% is regarded as reasonable, as in the Investment Manager's view there continues to be potential for volatility in equity markets in the coming year.

A 20% (30 June 2021: 20%) increase in the market prices of equity-related investments as at 30 June 2022 would have increased the net assets attributable to holders of redeemable participating preference shares by £56,315,585 (30 June 2021: £63,896,286) and a 20% change in the opposite direction would have decreased the net assets attributable to holders of redeemable participating preference shares by an equal opposite amount.

A sensitivity analysis based on the interest rates of bond-related investments as at 30 June 2022 has been considered under Interest rate risk on pages 110 to 113.

Actual trading results may differ from the above sensitivity analysis and these differences could be material.

Foreign currency risk

Foreign currency risk arises from fluctuations in the value of a foreign currency. It represents the potential loss the Company may suffer though holding foreign currency assets in the face of foreign exchange movements.

As a portion of the Company's investment portfolio is invested in securities denominated in currencies other than pound sterling (the functional and presentation currency of the Company), the Statement of Financial Position may be significantly affected by movements in the exchange rates of such currencies against pound sterling. The Investment Manager has the power to manage exposure to currency movements by using options, warrants and/or forward foreign currency contracts and details of the holdings of such instruments at the date of these Financial Statements is set out below and on the following page. In the event that the base currency weakens during the course of the contract, the contract will expire at a loss that will be offset by a corresponding gain in the underlying assets. The opposite would be true when the base currency strengthens during the course of the contract.

As at 30 June 2022, the Company had eight (30 June 2021: seven) open forward foreign currency contracts.

Forward foreign exchange contracts at 30 June 2022

Expiry date	Underlying	Notional amounts of contracts outstanding	Fair value assets/(liabilities) £
16 Sept 2022	Foreign currency (sale of USD)	US$146,005,720	726,278
16 Sept 2022	Foreign currency (sale of USD)	US$55,000,000	(284,261)
16 Sept 2022	Foreign currency (sale of USD)	US$40,000,000	(71,845)
16 Sept 2022	Foreign currency (sale of USD)	US$30,000,000	(137,510)
16 Sept 2022	Foreign currency (sale of USD)	US$30,000,000	–
16 Sept 2022	Foreign currency (sale of EUR)	€6,273,099	12,531
16 Sept 2022	Foreign currency (purchase of USD)	US$30,740,233	250,873
16 Sept 2022	Foreign currency (purchase of EUR)	€6,273,099	(10,057)
			486,009

Forward foreign exchange contracts at 30 June 2021

Expiry date	Underlying	Notional amounts of contracts outstanding	Fair value assets/(liabilities) £
16 July 2021	Foreign currency (sale of USD)	US$142,401,785	(1,923,429)
16 July 2021	Foreign currency (sale of JPY)	¥7,652,532,853	(493,080)
16 July 2021	Foreign currency (sale of EUR)	€8,261,673	30,532
16 July 2021	Foreign currency (sale of EUR)	€2,692,488	(486)
16 July 2021	Foreign currency (purchase of USD)	US$13,994,613	54,922
16 July 2021	Foreign currency (purchase of USD)	US$48,407,172	184,569
16 July 2021	Foreign currency (purchase of JPY)	¥524,690,140	(11,170)
			(2,158,142)

The Company’s treatment of currency transactions other than in pound sterling is set out in note 2 to the Financial Statements under ‘Translation of foreign currency.’

As at 30 June 2022 and 30 June 2021, the Company held the following assets and liabilities in currencies other than the functional currency, excluding the impact of forward foreign exchange contracts disclosed above.

	30 June 22 assets £	30 June 22 liabilities £	30 June 21 assets £	30 June 21 liabilities £
Australian dollar	50,495,812	–	–	–
Euro	34,901,475	–	26,126,214	–
Hong Kong dollar	–	–	2,622,878	–
Yen	75,269,855	–	50,120,395	–
Norwegian krone	–	–	6,835,006	–
Singapore dollar	–	–	1,451,223	–
Swedish krone	4,062,345	–	–	–
Swiss franc	893,279	–	–	–
US dollar	237,701,191	20,625,044	105,514,558	–
Total	403,323,957	20,625,044	192,710,274	–

Foreign currency sensitivity

As at 30 June 2022, if foreign exchange rates had weakened 10% (30 June 2021: 10%) against pound sterling with all other variables held constant, net assets attributable to holders of redeemable participating preference shares would be £16,080,712 (30 June 2021: £7,909,284) lower, net of open forward foreign currency contracts and due mainly as a result of foreign currency losses on translation of these financial assets and liabilities to pound sterling; and a 10% strengthening of foreign exchange rates against pound sterling would have resulted in an equal but opposite effect on the net assets attributable to holders of redeemable participating preference shares. The sensitivity rate of 10% is regarded as reasonable as this approximates to the weighted average volatility over the last two years of the principal foreign currencies to which the Company is exposed against Pound Sterling. Any changes in the foreign exchange rate will directly affect the profit and loss, allocated to the capital column of the Statement of Comprehensive Income.

Actual trading results may differ from the above sensitivity analysis and these differences could be material.

As has been seen in previous years currencies can fluctuate by more or less than this indicative amount. The Investment Manager incorporates this variable into risk analysis when managing the investments.

Interest rate risk

Interest rate risk represents the uncertainty of investment return due to changes in the market rates of interest.

The Company invests in fixed and floating rate securities. The income of the Company may be affected by changes to interest rates relevant to particular securities or as a result of the Investment Manager being unable to secure similar returns on the expiry of contracts or sale of securities. Interest receivable on bank deposits and floating rate securities or payable on bank overdraft positions will be affected by fluctuations in interest rates (cash flow interest rate risk).

The Investment Manager actively manages the Company's exposure to interest rate risk, paying heed to prevailing interest rates and economic conditions, market expectations and their own opinions of likely movements in interest rates. Currently the vast majority of the exposure of the Company to fixed interest securities is in the form of index-linked bonds. The value of these investments is determined by current and expected inflation and interest rates.

The value of fixed interest securities will be affected by general changes in interest rates that will in turn result in increases or decreases in the market value of those instruments. When interest rates decline, the value of the Company's investments in fixed rate debt obligations can be expected to rise, and when interest rates rise, the value of those investments may decline (fair value interest rate risk).

The investment portfolio details the security type, issuer, interest rate, and maturity date of all of the Company's fixed and floating rate securities as at 30 June 2022.

The following tables summarise the Company's exposure to interest rate risk. It includes the Company's financial assets and liabilities at fair values, categorised by underlying interest rate type.

As at 30 June 2022

	Floating rate £	Fixed rate £	Non-interest bearing £	Total £
Financial assets				
Investments at fair value through profit or loss	69,930,912	279,155,729	503,294,191	852,380,832
Cash and cash equivalents	91,882,581	–	–	91,882,581
Derivative financial assets	–	–	989,682	989,682
Trade and other receivables	–	–	29,695,609	29,695,609
	161,813,493	279,155,729	533,979,482	974,948,704
Financial liabilities				
Derivative financial liabilities	–	–	503,673	503,673
Trade and other payables	–	–	21,667,315	21,667,315
	–	–	22,170,988	22,170,988

As at 30 June 2021

	Floating rate £	Fixed rate £	Non-interest bearing £	Total £
Financial assets				
Investments at fair value through profit or loss	7,960,943	189,318,128	319,481,429	516,760,500
Cash and cash equivalents	55,833,380	–	–	55,833,380
Derivative financial assets	–	–	270,023	270,023
Trade and other receivables	–	–	6,004,238	6,004,238
	63,794,323	189,318,128	325,755,690	578,868,141
Financial liabilities				
Derivative financial liabilities	–	–	2,428,165	2,428,165
Trade and other payables	–	–	595,622	595,622
	–	–	3,023,787	3,023,787

The table below summarises weighted average effective (real) interest rates for fixed rate financial instruments.

	30 June 22 %	Weighted average period for which rate/ yield is fixed (years)	30 June 21 %	Weighted average period for which rate/ yield is fixed (years)
UK government bonds	-0.6526	23.11	-2.1118	22.76
US government bonds	3.0709	1.20	-2.4929	1.37
US corporate bonds	17.9583	4.38	–	–
Australian government bonds	4.7100	0.75	–	–
Japanese government bonds	-1.0928	4.70	-0.2894	5.69

Interest rate sensitivity analysis

Key determinants of interest rates include economic growth prospects, inflation, governments' fiscal positions and rates on nominal bonds of similar maturities. This sensitivity analysis assumes a 100 basis point increase or a 50 basis point decrease in interest rates (30 June 2021: 50 basis point increase or 10 basis point decrease), with all other variables unchanged. This would be the equivalent of a 100 basis point increase or a 50 basis point decrease in 'real' interest rates, and as such is likely to overstate the actual impact of such a move in nominal rates. The increased interest sensitivity rates in the current year are regarded as reasonable due to the current high inflation environment.

As most of the Company's fixed rate securities are index-linked bonds, their yields, and as a consequence their prices, are determined by market perception as to the appropriate level of yields given the economic background.

This analysis does not allow for the impact of investments held within Ruffer Protection Strategies which may reduce the sensitivity to changes in interest rates. Please refer to the Derivatives section below.

Fair value interest rate sensitivity

In respect of the Company's holdings of fixed rate bonds, an increase of 100 basis points (30 June 2021: 50 basis points) in interest rates as at the reporting date would have decreased the net assets attributable to holders of redeemable participating preference shares by £36,018,623 (30 June 2021: £17,823,385) and a decrease of 50 basis points (30 June 2021: 10 basis points) in interest rates would have increased the net assets attributable to holders of redeemable participating preference shares by £18,009,311 (30 June 2021: £3,564,677).

Cash flow interest rate sensitivity

In respect of the Company's holdings of floating rate bonds and cash and cash equivalents, an increase of 100 basis points (30 June 2021: 50 basis points) in interest rates as at the reporting date would have increased the net assets attributable to holders of redeemable participating preference shares by £1,618,135 (30 June 2021: £318,972) and a decrease of 50 basis points (30 June 2021: 10 basis points) in interest rates would have decreased the net assets attributable to holders of redeemable participating preference shares by £809,063 (30 June 2021: £63,794).

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. Failure of any relevant counterparty to perform its obligations in respect of these items may lead to a financial loss.

The Company is exposed to credit risk in respect of cash and cash equivalents and trade and other receivables. The credit risk associated with debtors is limited to the unrealised gains on open derivative contracts such as forward foreign currency contracts, as detailed above and trade and other receivables. It is the opinion of the Board of Directors that the carrying amounts of these financial assets represent the maximum credit risk exposure as at the reporting date.

The Company will not invest in the securities of any company that is not quoted or does not have a listing on a market specified in the Financial Services and Markets Act 2000 (Financial Promotions) Order 2001 except for investments in investment funds and such other financial markets as may be specifically agreed from time to time between the Board and the Investment Manager.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation. All amounts outstanding at the year end on the purchases of securities were settled within a few days of the year end, therefore there are no expected credit losses on these amounts.

The Company's most recent prospectus, published on 16 May 2022, allows investment in a wide universe of equity related securities and bonds, including those in countries that may be classed as emerging or developing. In adhering to investment restrictions set out within the document, the Company mitigates the risk of any significant concentration of credit risk.

Credit risk analysis

The Company's maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below.

	30 June 22 £	30 June 21 £
Financial assets at fair value through profit or loss	852,380,832	516,760,500
Derivative assets at fair value through profit or loss	989,682	270,023
Cash and cash equivalents	91,882,581	55,833,380
Trade and other receivables	29,695,609	6,004,238
	974,948,704	578,868,141

The Company is exposed to a potentially material credit risk in respect of cash and cash equivalents, which is mitigated by the use of institutions with a high credit rating. As at 30 June 2022, approximately 58% (30 June 2021: 55%) of cash is placed with Northern Trust (Guernsey) Limited (NTGL), and the remainder with Royal Bank of Scotland International Limited (RBSI).

NTGL is a wholly owned subsidiary of The Northern Trust Corporation (TNTC). TNTC is publicly traded and a constituent of the S&P 500. TNTC has a long-term credit rating of AA- (30 June 2021: A+) from Standard & Poor's and A2 (30 June 2021: A2) from Moody's. RBSI has a long-term credit rating of A- (30 June 2021: A-) from Standard & Poor's and A2 (30 June 2021: A3) from Moody's.

The Moody's credit ratings of the issuers of Bonds held by the Company as at 30 June 2022 and 30 June 2021 were as follows.

	30 June 22	30 June 21
UK gilt 3.75% 07/09/2021	–	Aa3
UK index-linked gilt 1.875% 22/11/2022	Aa3	Aa3
UK gilt 0.125% 31/01/2023	–	Aa3
UK index-linked gilt 0.125% 22/03/2024	Aa3	–
UK index-linked gilt 0.125% 22/03/2026	Aa3	–
UK index-linked gilt 0.375% 22/03/2062	Aa3	Aa3
UK index-linked gilt 0.125% 22/11/2065	Aa3	Aa3
UK index-linked gilt 0.125% 22/03/2068	Aa3	Aa3
UK index-linked gilt 0.125% 22/03/2073	Aa3	–
US Treasury floating rate bond 31/10/2021	–	Aaa
US Treasury inflation indexed bond 0.125% 15/04/2022	–	Aaa
US Treasury inflation indexed bond 0.625% 15/04/2023	Aa3	Aaa–
US Treasury floating rate bond 31/10/2023	Aaa	–
US Treasury floating rate bond 31/01/2024	Aaa	–
PFCLN 9.75% 15/11/2026	*BB–	–
Australia 5.75% 15/07/2022	Aaa	–
Australia 2.25% 21/11/2022	Aaa	–
Australia 5.5% 21/04/2023	Aaa	–
Australia 2.75% 21/04/2024	Aaa	–
Japanese government index-linked bond 0.10% 10/03/2026	A1	A1
Japanese government index-linked bond 0.10% 10/03/2027	A1	A1
Japanese government index-linked bond 0.10% 10/03/2028	A1	A1

* Standard & Poors rating

None of the Company's financial assets is secured by collateral or other credit enhancements.

Derivatives

The Company has gained exposure to derivative contracts (predominantly options and forward currency contracts) as a risk management tool. The intention of using such derivative contracts has been primarily to minimise the exposure of the Company to the negative impact of changes to foreign exchange rates, interest rates, market volatility and to protect the portfolio from a correlated fall in bonds and equities. At the year end, all such instruments (except forward foreign exchange contracts) were held indirectly within the Ruffer Protection Strategies International vehicle as detailed in the Portfolio Statement on page 126.

Fair value

Financial assets at fair value through profit or loss are carried at fair value. Other assets and liabilities are carried at cost which approximates fair value.

IFRS 13 requires the Company to classify a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows –

Level 1: Quoted prices, based on bid prices, (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) and

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Assets classified in Level 1 consist of listed or quoted equities or equity related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations.

Assets classified in Level 2 are investments in funds fair-valued using the official NAV of each fund as reported by each fund's independent administrator at the reporting date. Where these funds are invested in equity type products, they are classified as equity in the table above. Options and foreign exchange forward contracts are fair valued using publicly available data. Foreign exchange forward contracts are shown as derivative financial assets and liabilities in the above table.

Assets classified in Level 3 consist of investments for which no market exists for trading, for example investments in liquidating or illiquid funds, and are reported using the latest available official NAV less dividends declared to date of each fund as reported by each fund's independent administrator at the last reporting date. Where a market exists for trading in illiquid funds, these are classified in Level 2.

The following table presents the Company's financial assets and liabilities at fair value through profit or loss by level within the valuation hierarchy at 30 June 2022.

				30 June 22
	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss				
Non-UK index-linked bonds	58,562,473	–	–	58,562,473
Long-dated index-linked gilts	83,617,453	–	–	83,617,453
Short-dated index-linked gilts	84,948,751	–	–	84,948,751
Short-dated bonds	121,957,964	–	–	121,957,964
Illiquid strategies and options	–	171,398,642	–	171,398,642
Gold exposure and gold equities	53,835,441	23,966,709	–	77,802,150
Equities	221,209,427	21,915,425	–	243,124,852
Global funds	10,968,547	–	–	10,968,547
Derivative financial assets	–	989,682	–	989,682
Total assets	635,100,056	218,270,458		853,370,514
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	503,673	–	503,673
Total liabilities	–	503,673	–	503,673

The following table presents the Company's financial assets and liabilities at fair value through profit or loss by level within the valuation hierarchy at 30 June 2021.

	Level 1 £	Level 2 £	Level 3 £	30 June 21 Total £
Financial assets at fair value through profit or loss				
Non-UK index-linked bonds	41,542,448	–	–	41,542,448
Long-dated index-linked gilts	74,198,934	–	–	74,198,934
Short-dated index-linked gilts	32,385,876	–	–	32,385,876
Short-dated bonds	49,151,813	–	–	49,151,813
Illiquid strategies and options	–	42,932,196	–	42,932,196
Gold and gold equities	16,580,977	21,602,768	–	38,183,745
Equities	211,383,526	21,486,092	–	232,869,618
Global funds	5,495,870	–	–	5,495,870
Derivative financial assets	–	270,023	–	270,023
Total assets	430,739,444	86,291,079	–	517,030,523
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	2,428,165	–	2,428,165
Total liabilities	–	2,428,165	–	2,428,165

The Company recognises transfers between levels of fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the years ended 30 June 2022 and 30 June 2021, there were no transfers between levels of fair value hierarchy.

The movements in Level 3 investments during the year were as follows.

	Year ended 30 June 22 £	Year ended 30 June 21 £
Opening valuation	–	1,593,750
Liquidation distribution received	–	(1,809,375)
Realised gain	–	215,625
Closing valuation	–	–

During the prior year, the liquidators of Renn Universal Growth Investment Trust, the Company's sole Level 3 investment, made a third liquidation distribution to shareholders of £1.93 per share. No further distributions have been received during the current year. There is a chance of a further small residual payment, but of an unknown amount at an unknown date in the future, as a result of which no value has been ascribed to this investment at 30 June 2022 or 30 June 2021.

Liquidity risk

Liquidity risk is the risk that the Company will find it difficult or impossible to realise assets or otherwise raising funds to meet financial commitments. The Company's liquidity risk is managed by the Investment Manager who monitors the cash positions on a regular basis. The Company's overall liquidity risks are monitored on a regular basis by the Board of Directors and a formal report is made by the Investment Manager to the Directors at each Board Meeting.

As at 30 June 2022 and 30 June 2021, the Company had no significant financial liabilities other than short-term payables arising directly from investing activity and derivative financial liabilities used to minimise the Company's foreign currency exposure.

20 Capital risk management

The fair value of the Company's financial assets and liabilities approximate to their carrying amounts at the reporting date. For the purposes of this disclosure, redeemable participating preference shares are considered to be capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and be viable in order to pursue its investment objectives. The Board regularly reviews the Company's capital structure, including gearing levels. It also decides the extent to which any return of capital or income may be made to shareholders by way of dividends or share repurchases. It is the Board's intention to increase the market capitalisation of the

Company not only through capital gain on the portfolio but also through further issuance of shares when demand permits and the shares are trading at a sufficient premium to NAV per share.

To assist with the marketing of the Company's shares, the Company intends to operate in such a manner that its shares are not categorised as non-mainstream pooled investments. This requires the Company to act so that it would qualify as an investment trust if it were UK tax-resident. Among other things, this requires the Company to pay dividends such that it retains no more than 15% of the income that it receives or is deemed to receive on an annual basis.

The Company has the ability to borrow up to 30% of its NAV at any time for short-term or temporary purposes as is necessary for the settlement of transactions, to facilitate redemption (where applicable) or to meet ongoing expenses. At the year end the Company had no borrowings (30 June 2021: Nil). The Company does not have, nor does it intend to adopt, any structural gearing. The gearing ratio below is calculated as total liabilities divided by total equity.

	30 June 22 £	30 June 21 £
Total assets	974,955,761	578,875,120
Less: total liabilities	(22,170,988)	(3,023,787)
Total equity	952,784,773	575,851,333
Gearing ratio	2.33%	0.53%

The Board considers this gearing ratio to be adequate since total liabilities, which relates only to trade and other payables and unrealised losses on open forward foreign currency contracts, represents a very small proportion of the Company's total assets.

The Company has no externally imposed capital requirements.

Redemption Facility

In addition to the Company having the authority to purchase shares when deemed appropriate by the Directors, the Company has a Redemption Facility (which takes the form of a tender offer to all holders of redeemable participating preference shares). This facility may operate annually, in November each year, at the discretion of the Directors. Redemptions on any Redemption Date may be restricted to a maximum of 25% in aggregate of the Shares then in issue, with any tender requests from shareholders in excess of this being scaled back pro rata.

The facility is intended, together with share buybacks, to address any imbalance in the supply and demand for the shares and to assist in maintaining a narrow discount to the NAV per Share at which the shares may be trading.

Purchase of own shares by the Company

A special resolution was passed on 3 December 2021 which authorised the Company, in accordance with The Companies (Guernsey) Law, 2008, to make purchases of its own shares as defined in that Ordinance of its redeemable participating preference shares of 0.01p each, provided that

i the maximum number of shares the Company can purchase is no more than 14.99% of the Company's issued share capital

ii the minimum price (exclusive of expenses) which may be paid for a share is 0.01p, being the nominal value per share

iii the maximum price (exclusive of expenses) which may be paid for the share is an amount equal to the higher of (i) 105% of the average of the middle market quotations for a share taken from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the Share is purchased and (ii) the price stipulated in Article 5(i) of the Buy back and Stabilisation Regulation (No 2237 of 2003)

iv acquisitions may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the London Stock Exchange at a discount to the lower of the undiluted or diluted NAV

v the authority conferred shall expire at the conclusion of the AGM of the Company in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time and

vi the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract. No such repurchases of shares were made during the year (30 June 2021: Nil).

21 Subsequent events

These Financial Statements were approved for issuance by the Board on 4 October 2022. Subsequent events have been evaluated up until this date.

Subsequent to the year end, the Company has announced tap issues totalling 21,465,000 redeemable participating preference shares at an average issue price of £2.9735 per share.

A second interim dividend of 1.25p per share in respect of the year ended 30 June 2022 was declared on 4 October 2022. The dividend is payable on 28 October 2022 to shareholders on record at 14 October 2022.

Portfolio statement as at 30 June 2022

	Currency	Holding at 30 June 22	Fair value £	% of total net assets
Government bonds 36.42% (30 Jun 21: 34.27%)				
Non-UK index-linked bonds				
Japanese index linked bond 0.10% 10/03/2026	JPY	511,000,000	3,348,828	0.35
Japanese index linked bond 0.10% 10/03/2027	JPY	481,900,000	3,222,241	0.34
Japanese index linked bond 0.10% 10/03/2028	JPY	521,900,000	3,413,404	0.36
US Treasury inflation indexed bond 0.625% 15/04/2023	USD	50,000,000	48,578,000	5.10
Total non-UK index-linked bonds			58,562,473	6.15
Long-dated index-linked gilts				
UK index-linked gilt 0.375% 22/03/2062	GBP	9,280,400	19,212,470	2.02
UK index-linked gilt 0.125% 22/11/2065	GBP	10,856,980	19,546,768	2.05
UK index-linked gilt 0.125% 22/03/2068	GBP	12,907,220	25,128,271	2.64
UK index-linked gilt 0.125% 22/03/2073	GBP	11,512,745	19,729,944	2.07
Total long-dated index-linked gilts			83,617,453	8.78
Short-dated index-linked gilts				
UK index-linked gilt 1.875% 22/11/2022	GBP	20,000,000	33,647,195	3.53
UK index-linked gilt 0.125% 22/03/2024	GBP	24,000,000	35,000,109	3.67
UK index-linked gilt 0.125% 22/03/2026	GBP	11,688,600	16,301,447	1.71
Total short-dated index-linked gilts			84,948,751	8.91
Short-dated bonds				
Australia 5.75% 15/07/2022	AUD	21,000,000	11,924,252	1.25
Australia 2.25% 21/11/2022	AUD	24,000,000	13,624,994	1.43
Australia 5.5% 21/04/2023	AUD	21,500,000	12,486,116	1.31
Australia 2.75% 21/04/2024	AUD	21,000,000	11,922,227	1.25
US Treasury floating rate bond 31/10/2023	USD	35,000,000	28,786,336	3.02
US Treasury floating rate bond 31/01/2024	USD	50,000,000	41,144,576	4.32
Total short-dated bonds			119,888,501	12.58
Total government bonds			347,017,178	36.42
Corporate bonds 0.22% (30 Jun 21: 0.00%)				
PFCLN 9.75% 15/11/2026	USD	3,200,000	2,069,463	0.22
Total corporate bonds			2,069,463	0.22

	Currency	Holding at 30 June 22	Fair value £	% of total net assets
Equities 25.51% (30 Jun 21: 40.64%)				
Europe				
Aena	EUR	2,510	261,760	0.03
Arcelormittal	EUR	150,000	2,776,749	0.29
Bank of Ireland	EUR	627,958	3,260,603	0.34
Bayer	EUR	55,500	2,708,832	0.28
Dassault Aviation	EUR	10,007	1,281,778	0.13
Groupe Danone	EUR	15,100	692,154	0.07
Koninkliijke Vopak	EUR	160,056	3,316,302	0.35
Novartis	CHF	12,850	893,279	0.09
Prosegur Cash	EUR	720,973	386,025	0.04
Swedish Match	SEK	135,780	1,135,018	0.12
Unicredito	EUR	620,000	4,837,996	0.52
Vallourec	EUR	136,742	1,340,112	0.14
Vivendi	EUR	105,834	882,967	0.09
Volkswagen	EUR	45,122	4,970,140	0.52
Total Europe equities			28,743,715	3.01
United Kingdom				
Ashmore	GBP	397,131	880,837	0.09
Associated British Foods	GBP	265,000	4,181,700	0.44
BAE Systems	GBP	118,610	984,700	0.10
Balfour Beatty	GBP	484,089	1,230,554	0.13
Beazley	GBP	344,796	1,719,842	0.18
Belvoir Lettings	GBP	390,000	877,500	0.09
BP	GBP	5,900,000	22,909,700	2.41
Conduit	GBP	263,583	886,957	0.09
Countryside Properties	GBP	93,381	231,585	0.02
Glaxosmithkline	GBP	260,000	4,590,040	0.48
Glencore	GBP	900,000	4,005,900	0.42
Grit Real Estate	GBP	3,743,544	1,123,063	0.12
Hipgnosis Songs Fund	GBP	4,500,000	4,941,000	0.52
Jet2	GBP	132,666	1,201,689	0.13
Lloyds Banking Group	GBP	10,000,000	4,231,000	0.44
Marks & Spencer	GBP	2,253,000	3,052,815	0.32
Melrose Industries	GBP	2,400,000	3,591,600	0.38
Natwest	GBP	2,000,000	4,366,000	0.46
Petrofac	GBP	1,500,000	1,681,500	0.18
Rolls-Royce Holdings	GBP	1,374,345	1,139,882	0.12

	Currency	Holding at 30 June 22	Fair value £	% of total net assets
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	92,260	21,915,425	2.30
Science Group	GBP	174,218	665,513	0.07
Serco	GBP	273,830	477,012	0.05
Shell	GBP	320,000	6,828,800	0.72
Trident Royalties	GBP	7,557,947	3,249,917	0.34
Unilever	GBP	47,844	1,780,275	0.19
Vodafone Group	GBP	4,000,000	5,065,600	0.53
Total UK equities			107,810,406	11.32
North America				
American Express	USD	39,429	4,490,723	0.47
Bristol Myers Squibb	USD	55,000	3,480,744	0.37
Charles Schwab	USD	75,530	3,924,732	0.41
Chesapeake Energy	USD	74,080	4,926,703	0.52
Cigna	USD	47,000	10,171,112	1.06
Coty A	USD	310,520	2,042,425	0.21
Exxon Mobil	USD	21,600	1,520,762	0.16
General Electric	USD	23,352	1,221,675	0.13
General Motors	USD	147,000	3,836,147	0.40
Godaddy A	USD	27,663	1,580,094	0.17
Hertz	USD	63,453	825,337	0.09
II-VI	USD	31,152	1,303,329	0.14
Jackson Financial	USD	64,309	1,412,073	0.15
Meta Platforms	USD	32,206	4,264,690	0.45
Northrop Grumman	USD	8,300	3,262,749	0.34
Pfizer	USD	27,500	1,185,540	0.12
Sciplay	USD	46,097	528,423	0.06
Southwest Airlines	USD	48,739	1,446,401	0.15
Total North America equities			51,423,659	5.40
Japan				
Fuji Electric	JPY	74,400	2,520,706	0.26
Fujitsu	JPY	35,000	3,586,035	0.38
Mitsubishi Electric	JPY	541,300	4,750,257	0.50
Mitsubishi UFJ Financial	JPY	2,226,700	9,808,759	1.03
NEC	JPY	136,000	4,311,531	0.45
Orix	JPY	581,000	7,996,848	0.84
Rakuten	JPY	1,051,300	3,886,236	0.41

	Currency	Holding at 30 June 22	Fair value £	% of total net assets
Rohm	JPY	58,800	3,365,346	0.35
Sony	JPY	62,000	4,150,538	0.44
Sumitomo Mitsui Financial Group	JPY	150,000	3,659,090	0.38
Tokio Marine	JPY	60,000	2,863,020	0.30
Total Japan equities			50,898,366	5.34
Asia (ex-Japan)				
Alibaba Group	USD	30,000	2,800,706	0.29
Weiss Korea Opportunity Fund	GBP	800,000	1,448,000	0.15
Total Asia (ex-Japan) equities			4,248,706	0.44
Total equities			243,124,852	25.51
Global funds 1.15% (30 Jun 21: 0.75%)				
Renn Universal Growth Trust	GBP	937,500	0	0.00
Taylor Maritime Investments	GBP	4,519,208	4,745,168	0.50
Tufton Oceanic Assets	USD	2,562,500	2,567,129	0.27
Yellow Cake	GBP	1,125,000	3,656,250	0.38
Total global funds			10,968,547	1.15
Gold and gold equities 8.17% (30 Jun 21: 6.62%)				
Ishares Physical Gold	USD	1,620,000	46,878,634	4.92
Kinross Gold	USD	1,200,000	3,517,819	0.37
LF Ruffer Gold Fund*	GBP	9,579,120	23,966,709	2.52
X IE Physical Gold	USD	150,000	3,438,988	0.36
Total gold and gold equities			77,802,150	8.17
Credit protection and options 17.99% (30 Jun 21: 7.46%)				
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	80,339,911	102,059,244	10.71
Ruffer Protection Strategies International*	GBP	13,264,859	69,339,398	7.28
Total credit protection and options			171,398,642	17.99
Total investments			852,380,832	89.46
Cash and other net current assets			100,403,941	10.54
			952,784,773	100.00

* Ruffer Protection Strategies International and Ruffer Illiquid Multi Strategies Fund 2015 Ltd are classed as related parties as they share the same Investment Manager (Ruffer AIFM Limited) as the Company. LF Ruffer Gold Fund and Ruffer SICAV UK Mid and Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

General information

Ruffer Investment Company Limited was incorporated in Guernsey as a company limited by shares and as an authorised closed-ended investment company on 1 June 2004. The Company launched on the London Stock Exchange on 8 July 2004, with a launch price of 100p per share and an initial net asset value of 98p per share. The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate. The Company invests predominantly in internationally listed or quoted equities or equity related securities (including convertibles) and/or bonds which are issued by corporate issuers, supra-nationals or government organisations.

The Company's redeemable participating preference shares are listed on the London Stock Exchange.

The Company reports its audited annual results each year for the year ended 30 June, and its unaudited interim results for the six months ended 31 December. These Financial Statements were authorised for issue on 4 October 2022 by the Directors.

The Investment Manager is authorised and regulated by the United Kingdom Financial Conduct Authority as a full-scope Alternative Investment Fund Manager (AIFM). The Investment Manager is entitled to an investment management fee payable to the AIFM monthly in arrears at a rate of 1% of the Net Asset Value per annum.

The Investment Manager and the Board intend to conduct the affairs of the Company so as to ensure that it will not become tax resident in the United Kingdom. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a branch or agency situated therein, the Company will not be subject to United Kingdom Corporation Tax or Income Tax.

The Company intends to be operated in such a manner that its shares are not categorised as non-mainstream pooled investments. Among other things, this requires the Company to pay dividends such that it retains no more than 15% of the income that it receives or is deemed to receive for UK tax purposes on an annual basis.

Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services Limited) (the 'Administrator') is entitled to receive an annual fee equal to 0.08%. per annum on the first £100 million; 0.04%. per annum between £100 million and £200 million; 0.02%. per annum between £200 million and £300 million; and 0.015%. per annum thereafter; based on the NAV of the Company on a mid-market basis, subject to a minimum fee of £100,000 per annum.

Northern Trust (Guernsey) Limited (the 'Custodian') is entitled to receive from the Company a fee of £2,000 per annum. The Custodian is also entitled to charge for certain expenses incurred by it in connection with its duties.

Northern Trust (Guernsey) Limited (the ‘Depositary’) is entitled to an annual Depositary fee payable monthly in arrears at a rate of 0.01% of the Net Asset Value of the Company up to £100 million, 0.008% on the next £100 million and 0.006% thereafter as at the last business day of the month subject to a minimum fee of £20,000 per annum.

Management and administration

Directors
Christopher Russell
Jill May
David Staples
Shelagh Mason
Nicholas Pink
Susie Farnon (appointed 1 September 2022)

Registered Office
Sarnia House
Le Truchot
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Guernsey GY1 1GR

Independent Auditor
Deloitte LLP
Regency Court
Glategny Esplanade
St Peter Port
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Investment Manager and Alternative Investment Fund Manager
Ruffer AIFM Limited
80 Victoria Street
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CREST Agent
Computershare Investor Services (Jersey) Limited
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Company Secretary and Administrator
Sanne Fund Services (Guernsey) Limited
(formerly Praxis Fund Services Limited)
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Le Truchot
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Guernsey GY1 1GR

Sponsor and broker
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Custodian
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Depositary
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Advocates to the Company as to Guernsey law
Mourant Ozannes (Guernsey) LLP
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Appendix (unaudited)

Regulatory performance data

To 31 Dec %	†2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
RIC NAV TR	8.9	14.0	0.1	6.0	23.8	15.1	16.5	0.7	3.4	9.5
FTSE All-Share TR	12.3	22.0	16.8	5.3	-29.9	30.1	14.5	-3.5	12.3	20.8
Twice UK Bank Rate	9.9	9.4	11.0	11.2	3.4	1.0	1.0	1.0	1.0	1.0

To 31 Dec %	2014	2015	2016	2017	2018	2019	2020	2021	‡2022	Annualised
RIC NAV TR	1.8	-1.0	12.4	1.6	-6.0	8.4	13.5	11.4	3.0	7.7
FTSE All-Share TR	1.2	1.0	16.8	13.1	-9.5	19.2	-9.8	18.3	-4.6	7.1
Twice UK Bank Rate	1.0	1.0	1.0	0.5	1.0	1.5	0.5	0.2	0.7	3.2

† From July 2004

‡ To June 2022

Source: Ruffer, Bloomberg, FTSE International (FTSE)†. Please note that past performance is not a reliable indicator of future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange. Calendar quarter data has been used up to the latest quarter end.

The portfolio data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in this product. Any decision to invest must be based solely on the information contained in the prospectus and the latest report and accounts. The Key Information document is provided in English and available on request or from ruffer.co.uk.

Alternative performance measures used in the Annual Report

Total NAV/Share price return

Total NAV return and total share price return are calculations showing how the NAV/share price per share has performed over a period of time, taking into account dividends paid to shareholders. It is calculated on the assumption that dividends are reinvested at the prevailing NAV/share price on the last day of the month that the shares first trade ex-dividend. This provides a useful measure to allow shareholders to compare performances between investment funds where the dividend paid may differ.

Year ended 30 June 2022		Total NAV return	Total share price return
Opening IFRS NAV/share price per share		281.29p	287.00p
Closing IFRS NAV/share price per share	(a)	294.98p	300.00p
Dividends paid	(b)	3.05p	3.05p
Weighted average IFRS NAV/share price per share on ex-dividend date	(c)	291.53p	297.17p
Dividend adjustment factor (d = b/c + 1)	(d)	1.0105	1.0103
Adjusted closing NAV/share price per share (e = a x d)	(e)	298.07p	303.08p
Total NAV/share price return		6.0%	5.6%

Share premium/(discount) to NAV

Share premium or (discount) to NAV is the amount by which the share price is higher/lower than the NAV per share, expressed as a percentage of the NAV per share, and provides a measure of the Company's share price relative to the NAV.

NAV per share

NAV per share is a calculation of the Company's NAV divided by the number of shares in issue at the NAV date and provides a measure of the value of each share in issue.

Market capitalisation

Market capitalisation is the value of a company that is traded on the stock market, calculated by multiplying the total number of shares by the share price on the reference date.